MF-200 (A)
(February 1952)

DOCKET NO. DMEA [illegible]

COMMODITY Strategic Mica

Extra Copy
IDM-E 486

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 6th day of February, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Byron Court Jeppson
Star Route
Tenaska, 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 Yancey, described as follows:[3] Beginning on the edge of the road directly below (east of) the Jessy Wade Mine; thence with the upper edge of the road (old railroad grade) in a southerly direction a distance of 100 feet; thence east 100 feet; thence north 100 feet, thence west to the edge of the road (old railroad grade) thence with the edge of road in a southerly direction to the point of beginning. This is the same property

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances, to be dealt with in the subordination agreement or release attached: described in the lease from Percy Threadgill and Ethel K. Threadgill, his wife to the Operator which is recorded in Book of Leeds 110 at page [illegible] in the office of the Register of Leeds, Yancey County, North Carolina

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien 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 _____ days from the date of this contract shall commence work on a project of exploration for[5] strategic mica

in or upon the described land; and shall bring the project to completion within a period of six months (6) 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 50 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $3,667.50, which is 50 percent of $7,335.00, 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Raymond Edward Shepard
(Operator)

By _____

By 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]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

RAYMOND EDWARD SHEPERD
EXPLORATION PROJECT CONTRACT
DOCKET NO. DMEA-2726

EXHIBIT "A"

Description of the Work

At a location on the pegmatite to be fixed by the Government but approximately at the site marked "Proposed Incline" on the sketch entitled "Sketch of Greasy Woods Mine, Yancey Co., N. C., DMEA-2726, 11/26/5[illegible]," attached hereto and made a part hereof, remove by bulldozer sufficient overburden to construct a collar for a 5' x 7' inclined shaft. Sink the inclined shaft 45 feet down the dip of the pegmatite. At an inclined distance of 40 feet below the shaft collar drive a 5' x 7' drift a total length of 60 feet along the strike of the pegmatite.

AGREED ESTIMATED COSTS

Bulldozing - 10 hrs. @ $10/hr.	$ 100.00	
Sinking inclined shaft 45 feet @ $45/ft.	2,025.00	
Drifting - 60 feet @ $32.50/ft.	1,950.00	
Total Cost of the Project		$4,075.00
Government Participation @ 90%		$3,667.50

June 19, 1953

Memorandum

To: Mr. Robert E. Adams

From: Nonmetallic Minerals Division

Subject: Withdrawal of Docket No. DMEA-2726 - Mica
Raymond E. Sheperd
Grassy Woods Mine
Yancey County, North Carolina

The unsigned contract in the subject case, was returned by the Applicant with a letter dated June 12, 1953, in which he indicates that he wishes to withdraw his application.

The file may be closed.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 6/19/53

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

June 19, 1953

Memorandum

To: Mr. Robert E. Adams

From: Nonmetallic Minerals Division

Subject: Withdrawal of Docket No. DMEA-2726 - Mica
Raymond E. Sheperd
Grassy Woods Mine
Yancey County, North Carolina

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The file may be closed.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 6/19/53

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

(OO)
FEB 6 1953

Mr. Robert S. Laurence
Executive Officer, DMA
Field Team, Region VII
Room 11, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. DMA-2726 - Mica
Raymond E. Shepard
Pensacola, North Carolina
Grassy Knob Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by this office for the Government with register number and effective date as shown.

The unit costs for the shaft and drift have been reduced to bring them into line with other contracts in this area. Otherwise the program follows the Field Team recommendations. The lease on this mine runs until July, 1954 so the work should be completed as soon as physical conditions permit.

If the contract meets with your approval, insert the starting time in Article 3 of the contract and present it to the operator for his approval and signature. Please explain to the Operator that when the contract is executed, it is a firm commitment under the terms of which he is obligated to complete the work outlined at the agreed unit costs for the work. If any provisions are unsatisfactory to the operator, return all copies to this office with the suggested changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 6

SAFeitler:gad 1/29/53
Copy to: Admr. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

January 29, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Resume - Docket No. DMEA-2726 - Mica
Raymond E. Sheperd
Pensacola, North Carolina
Grassy Woods Mine
Yancey County, North Carolina

Action recommended: Approval of contract providing for preparation of shaft site by bulldozer, 45 foot of inclined shaft, and 60 feet of drift from the 40-foot level in shaft. The amount of the contract ($4,075.00) is less than that recommended by the Field Team because the unit costs for sinking and drifting were reduced to the level of other similar contracts in this area.

Conclusions: The exploration recommended by the Field Team offers promise of a discovery which may result in the production of a significant quantity of strategic mica.

Chronology:

10/3/52	Application received - expenditure of approximately $10,000 for tunnel and shaft is proposed. Program vague.
(10/1/52)	Additional information requested by R. A. Laurence, Region VII.
10/9/52	Additional information received via Laurence.
10/10/52	USBM memo recommends asking applicant for more information.
10/20/52	USBM memo recommends field examination in view of supplementary information received.
10/29/52	USGS memo recommends field examination.
11/6/52	Referred to Region VII.
11/6/52	Letter to applicant.
12/3/52	Field report received. Recommends a 45-foot shaft and 60 feet of drift at a cost of $4,750.00.
12/10/52	Contract approved by Legal Division.
12/15/52	USGS memo concurs with Field Team recommendation.

1/5/53	USBM memo concurs with Field Team recommendation.
1/27/53	Resume prepared.
1/29/53	Letter of transmittal for contract prepared.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 1/29/53

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

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

December 10, 1952

Memorandum

To: Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Raymond Edward Sheperd - Docket No. DMEA-2726

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consent to Lien.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

...0 (A)
...ary 1952)

DOCKET NO. DMEA 2726

COMMODITY Strategic Mica

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

RECEIVED
DEC 4 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

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] Raymond Edward Shepend
Star Route
Pensacola, North Carolina
(old R.R. grade)
edge of
a portion of tract

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 Yancey, described as follows:[3] Starting on the side of the road directly below (West of) the Grassy Woods Mine; thence with the upper edge of the road (old railroad grade) in a southerly direction a distance of 200 feet; thence east 300 feet; thence north 400 feet; thence west to the edge of the road, thence with the road to the point of beginning. This is the same property

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:~~ described in the lease ~~between~~ from Percy Threadgill and Ethel H. Threadgill ~~and Ray Shepend~~ his wife which is reconded in Book of Deeds 110 at page 178, in the office of the Register of Deeds, Yancey County, North Carolina

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien 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 _____ days from the date of this contract shall commence work on a project of exploration for[5] Strategic mica

in or upon the described land; and shall bring the project to completion within a period of six 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. 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 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay Ninety percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $~~4,295.00~~ 3,667.50, which is ninety percent of $~~4,750.00~~ 4,075.00 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 check or 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. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed 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 units of work performed 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.

[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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

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(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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(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—66329-1

Exhibit "A"

Description of the Work

At a location on the pegmatite to be fixed by the Government but approximately at the site ~~shown~~ marked "Proposed Incline" on the sketch entitled "Sketch of Grassy Woods Mine, Yancey Co., N.C., D.M.E.A.-2725, 11/26/52.", attached hereto and made a part hereof, remove by bulldozer sufficient overburden to construct a collar for a 5'x7' inclined shaft. Sink the inclined shaft 45 feet down the dip of the pegmatite. At an inclined distance of 40 feet below the shaft collar drive a 5'x7' drift a total length of 60 feet along the strike of the pegmatite

Agreed Estimated Costs

10 hours of Bulldozing @ $10/hr.	$	100.00
Sinking 45 feet of inclined shaft @ $45/ft.		2,025.00
60 feet of Drifting @ $32.50/ft.		1,950.00
	$	4,075.00
Government's contribution @ 90%	$	3,667.50

MF-102
(Revised April 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 3 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-2527 2726
Metal or Mineral
Date Received 10-3-52
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: Raymond Edward Sheperd Star Route Pensacola 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 Starting on the side of the road directly below (West of) the Grassy Woods Mine, thence with the upper edge of the road (Old Rail Road Grade) in a Southerly direction a distance of 200 feet, thence east 300 feet; thence NORTH 400 feet, thence west to the edge of the road, thence with the road to the point of begining.

(*b*) State any mine name by which the property is known.

(*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.

(*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. not in production.

(*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. see separate statement

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

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. All above are available in good supply.

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore .....

(*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.

(*c*) The work will start within 30 days and be completed within 10 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. 11 years experience.

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: see sheet to

(*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.). None

(*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. see separate sheet

(*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. see separate sheet

(*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. none

(*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. see sheet

(*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. estimated on separate sheet.

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

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)?

(*b*) How do you propose to furnish your share of the costs?

☐ 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 September 23rd 1955, 195...

Raymond E. Lepsen
(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

Current Financial Statement.

Real and Personal Property		$10,000.00
Cash in Bank		3,000.00
	Total	13,000.00
Liabilities and debts	None	

History of the Grassy WOODS Mine.

This mine is reputed to have been worked by Will Silvers and Bill Rice in about 1901 and for a period is was quite productive and profitable, but according to Bill Rice the crew went to work one morning to find that the tunnel had caved in covering up their tools, so the mine was abandoned. Since that time several operators have opened and worked around this mine, but it is believed that these tools have never been found. According to local reports this mine produced mica of the finest quality and there is plenty of evidence in the waste to support this view.

Exploration #4.

Bulldozing-tunnel and shaft estimated cost $10,000,00 six months to complete.

Labor, including foremen, drill men and muckers	Approximately	$1125.00 per month
Dynamite, caps, gas and oil, steel sharpening and etc		200.00 per month

No existing facilities.

Building to house crew and machinery.		$500.00
Hoist		750.00
Compressor		3200.00
Jack hammer		345.00
Steel and heads and bits		160.00
Hose	Total	5015.00

Q-50

Compressor is also an item on DMEA-2721, by same applicant

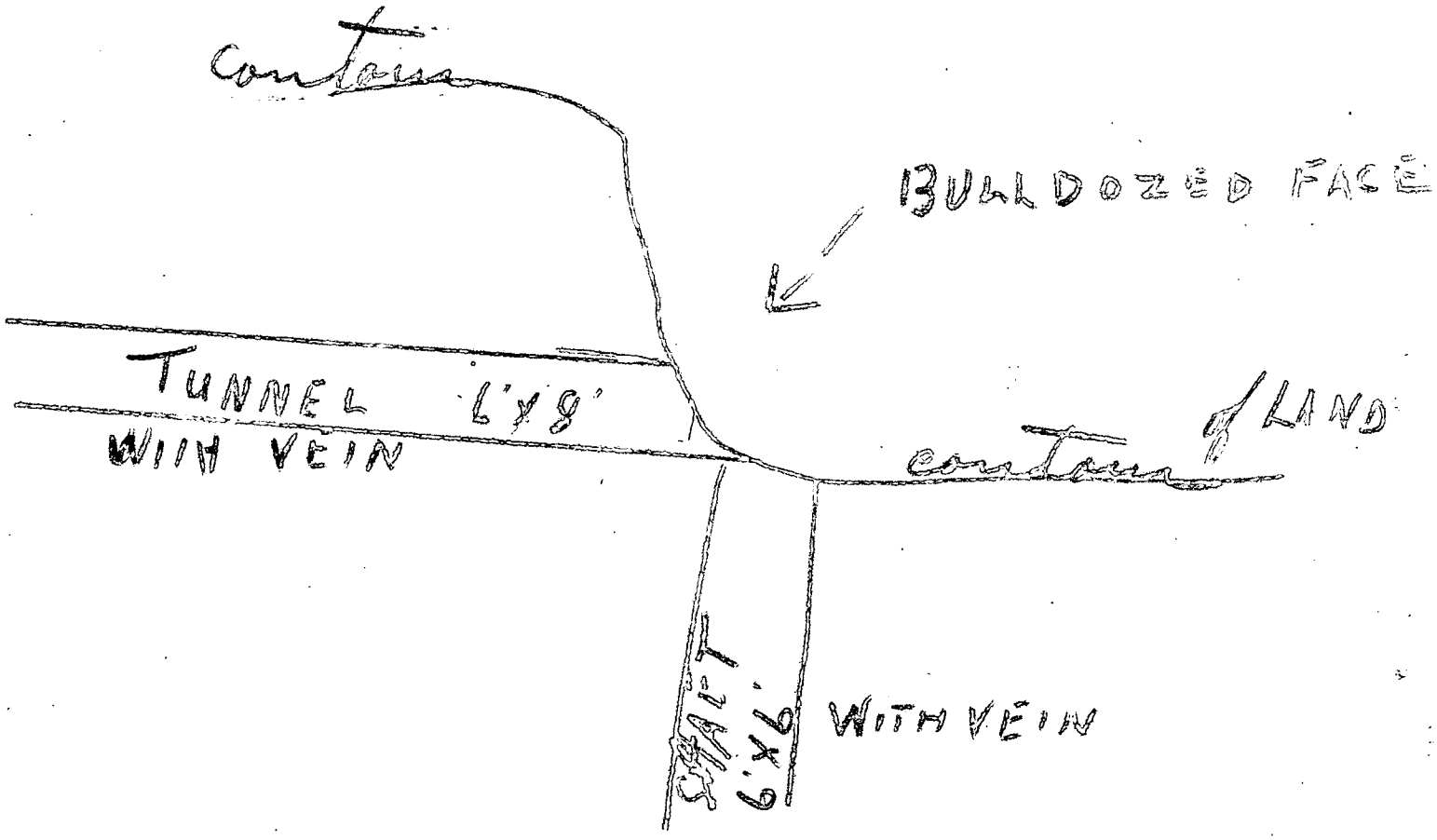
Schedule of labor costs.

Bulldozer work consists of removing as estimated 5554 yards of over burden covering an area approximately fifty feet wide and 100 feet long with an average depth of 30 feet. We estimate that this will require a bulldozer 300 hours at $10.00 per hour. It will be necessary to hire dozer as I do not own one.

Labor as planned.

Social security and Insurance			57.20
Un employment Ins			28.08
Supervisor full time at	2.00 per hour	per month	160.00
Foreman full time	2.00 per hour		320.00
Drill man	1.50 per hour		240.00
2 muckers	1.00 per hour each		320.00
		Wages per month	1125.00
Dynamite, Caps, Gas, Oil Blakksmithing sharpening steel		per Month	200.00
Total monthly expenses.			1325.00

Estimate of labor needed to reach vein four months @ 1325.00	5290.00
Bulldozing	5000.00
Building to house crew and machinery	500.00
Hoist	750.00
Compressor	3200.00
Jackhammer	160.00
Steel	400.00
Truck rental 4 months at $100.00 per month	400.00
Total needed	15800.00



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

OFFICIAL BUSINESS

WASHINGTON, D.C.
NOV 6
6-PM
1952

PENALTY FOR PRIVATE USE, $300
PAYMENT OF POSTAGE (PMGC)

SAVE THE EASY WAY
BUY U.S. BONDS ON
PAYROLL SAVINGS

Mr. Raymond E. Sheperd
~~Star Route~~
Pensacola, North Carolina
168 N.E. 20th St.
Miami 38
Fla.

RETURN
TO WRITER
UNCLAIMED

MIAMI
NOV 20
1952
FLA.

505

M Birch N.W.
536
T

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

January 5, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2726, Mica, Grassy Woods Mine, Yancey County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $4,750.

Brooke L. Gunsallus

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

October 10, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2726, Mica, Grassy Woods Mine, Pensacola, North Carolina

It is suggested that applicant be requested to furnish further information, with reference to a detailed plan of proposed exploration, map indicating geological features, and relevant questions not answered adequately in the application.

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

December 15, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 16 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA -2726 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey
Applicant: R. E. Sheperd
Name of property: Grassy Woods
Location of property: Yancey County, North Carolina. East side of road up Cattail Creek. 216 miles S. 72 E. of Cattail mine.
Date of field team report: November 26, 1952
Authorship of field team report: K. H. Teague and L. E. Shirley
Field team's recommendation:
Bulldozing. 45-foot shaft. 60 feet of drifts.
Comments:
Costs for shaft and drifts seem high

ACTION SUGGESTED:
Follow field team's recommendation.

JJN:lmc
G-12/15/52
cc: Directors Reading, 4212
Branch Reading, 4212
DMEA
Norton

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

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 3 1952

December 1, 1952

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, D M E A - Region 7 - Knoxville, Tennessee

Subject: DMEA-2726, Grassy Woods Mine, Raymond Sheperd-Applicant (mica) Field Examination Report.

Enclosed are 4 copies of the Field Examination Report by K. H. Teague and L. E. Shirley, on the subject application, and 6 extra copies of the map.

The Field Team agrees with the findings of the report.

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

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

One copy only with sketch rec'd Nonmetallic Min. Div. 12-9-52

Reviewed by
DMEA OPERATING COMMITTEE
12-8-52
(date)

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

REFERRED TO: DATE 12/5

1. ~~Oper Com~~
2. ~~Donahue~~ ~~R 453~~
3. ~~Copy to Rm 7637~~
4. Mr. Hearne

FOR:

- ---------- Action
- ---------- Approval
- ---------- Comment
- ---------- Conference
- ---------- Consideration
- ---------- Filing
- ---------- Instructions
- ---------- Investigation
- ---------- Initials
- ---------- Mailing
- ---------- Previous correspondence
- ---------- Recommendation
- ---------- Record of ----------
- ---------- Referring to ----------
- ---------- Reply for signature of ----------
- ---------- Rewriting
- ---------- Signature
- ---------- Suggestions
- ---------- Your information

REMARKS: ~~Agenda 12/8~~

Check (X) before the items needing attention.

Frank E. Johnson

(FEJ) *Initials of sender.*

GPO 16—63815-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 3 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

GRASSY WOODS MINE- DMEA-2726 (mica)
Y ancey County, N. C.

By

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

-

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

November 26, 1952

Reviewed by
DMEA OPERATING COMMITTEE

12-8-52
(date)

Field Team Examination Report
on
GRASSY WOODS MINE, D M E A -2726 (Mica)
Applicant: Raymond E. Sheperd, Pensacola, N. C.

Evidence available on this deposit indicates that exploration is warrented. It is recommended that an incline 45 feet deep be sunk on the pegmatite and 60 feet of drifts be driven on the 40-foot level.

The deposit was examinated on November 21, 1952. Mr. Charles Hensley, representing the applicant, accompanied the Field Team on the examination which required two hours.

The Grassy Woods mine is located along the east side of the road up Cattail Creek to the Cattail mica mine. It is 2.6 airline miles S. 72° E. of Pensacola, Yancey County, North Carolina. Access to the mine is rough, but it can be reached at all seasons of the year by 4-wheel drive cars.

The Applicant has limited mining experience. Mr. Hensley, who is to act as foreman on the proposed project, is capable to supervise the operation. Adequate labor and supplies are available locally.
There are no surface buildings or facilities on the property. A single phase power line is located 600 feet west of the mine.

Old workings include several small, caved adits, and a few prospect holes scattered over a strike length of 75 feet. Recently Mr. Sheperd has had the soil mantle removed by bulldozer from part of the deposit.

Only one pegmatite is exposed at present. This pegmatite ranges from 1 to 4 feet thick and is composed of quartz, plagioclase, microcline, and muscovite. No zoning is apparent. It is reported that another pegmatite of similar thickness and composition occurs parallel to and in the footwall 3 to 4 feet from the one described above. This one is now covered by fill. The deposit is enclosed by mica gneiss with nearly vertical foliation which trends northerly. The pegmatite appears to strike almost north, dipping about 45° to the east, and where exposed contains considerable mica.

The mica is ruby colored, clear, hard, generally flat, and splits well. Mr. Sheperd recovered material at least 6 inches across during the recent bulldozer work. Samples of mica collected from this place and submitted to the Spruce Pine Mica Depot were classified as suitable for stockpiling.

The large amount of bulldozing requested by the applicant is not needed. The only need for a bulldozer is to remove 4 to 5 feet of over-

burden in preparing the incline site. The Field Team is of the opinion that an inclined shaft following the pegmatite is more practical than a vertical shaft, as the old openings do not extend to any considerable depth nor do they supply sufficient information to permit location for a vertical shaft.

The area covered by the applicant's lease is sufficient to permit conduct ot the proposed project.

The Field Team recommends that the overburden be stripped from the proposed collar for the incline and a 45-foot incline sunk following the dip of the pegmatite. From the 40-foot level 60 feet of drift should be driven along the pegmatite.

Costs of this proposed work are as follows:

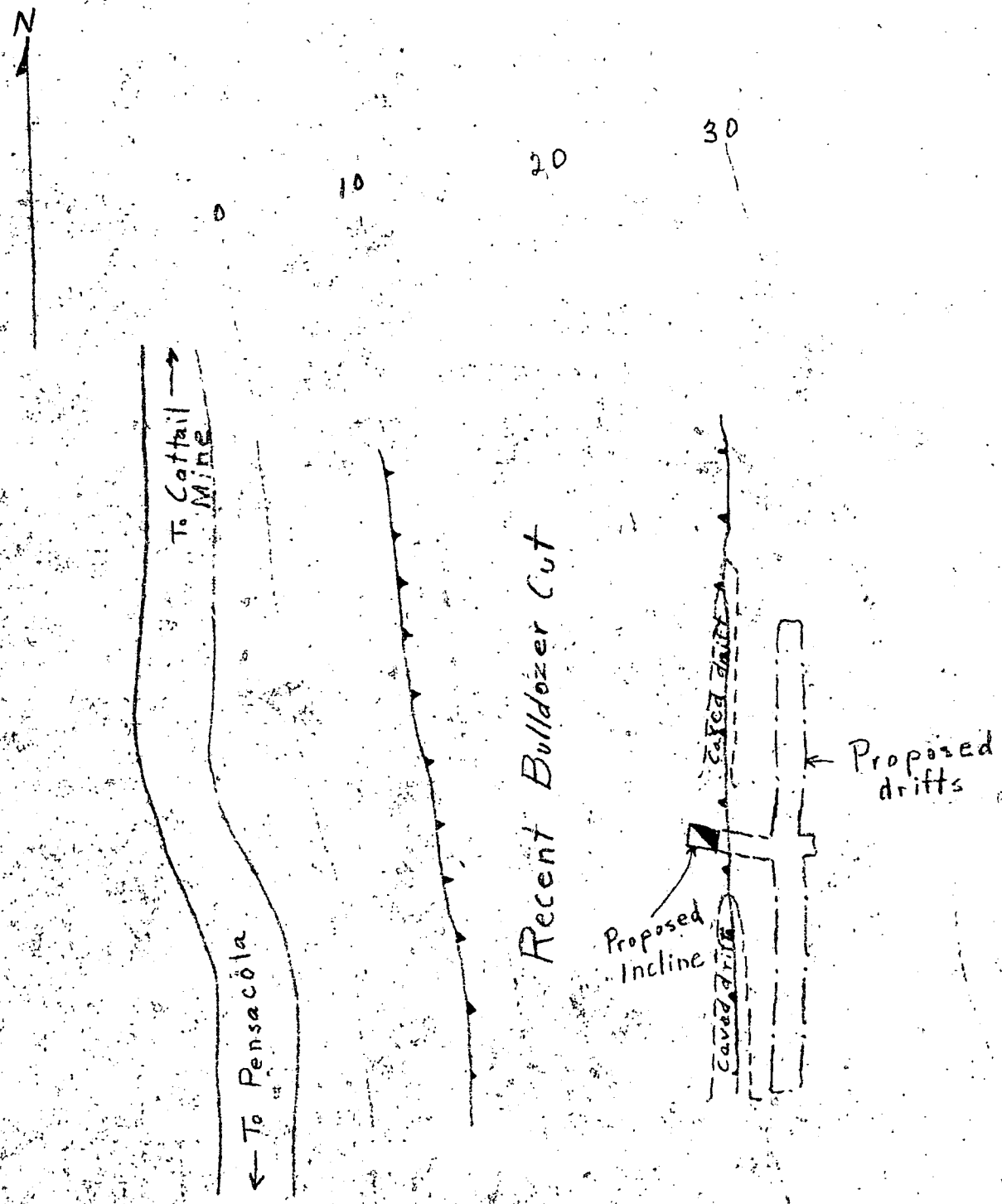
10 hours of bulldozing @ $10/hr.	$100.00	
45-foot 5' x 7' incline @ $50/ft.	$2250.00	
60 feet 5' x 7' drifts @ $40/ft.	2400.00	
Estimated Total Cost		$4,750.00

Estimated time required 80 shifts.

11/26/52

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM



sketch of
Grassy Woods Mine
Yancey Co., N.C

0 20' 40'
Scale

D-MEA-2726

11/26/52

600

NOV 6 1952

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2726 - Mica
Raymond E. Shepard
Grassy Woods Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Reference is made to the above Docket No. DMEA-2726 covering an application for exploration assistance on strategic mica at the Grassy Woods Mine, Yancey County, North Carolina.

A report from the Field Team is requested, including a specific exploration program if the project meets with your approval. Please comment on the quality of the mica for strategic use and the location of any proposed work with respect to the property boundaries.

Pertinent memoranda from the U. S. Bureau of Mines and the U. S. Geological Survey are enclosed.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel Jr

Member, Geological Survey

Enclosures 2

LFHearne:gad 11/3/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

600

NOV 6 1952

Mr. Raymond E. Shepard
Star Route
Pensacola, North Carolina

Subject: Docket No. DMA-2726 - Mine
Raymond E. Shepard
Grassy Knob Mine
Yancey County, North Carolina

Dear Mr. Shepard:

Your application is being referred to Mr. Robert A. Lawrence, Executive Officer, DMA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further information.

Your interest in the exploration program is appreciated.

Sincerely yours,

U. O. Mittendorf

Administrator

LFMearns:gad 11/3/52

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

Dmea-2726

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

Room 13, Post Office Building
Knoxville 2, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 3 1952

October 1, 1952

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA-Region 7

Subject: Form-MF-103, Ray Shepard, Pensacola, N.C. Applicant
Grassy Woods Mine (mica)

Enclosed herewith are 3 copies of the subject application with a copy of letter to the applicant requesting additional information. The fourth copy of the application is being kept here.

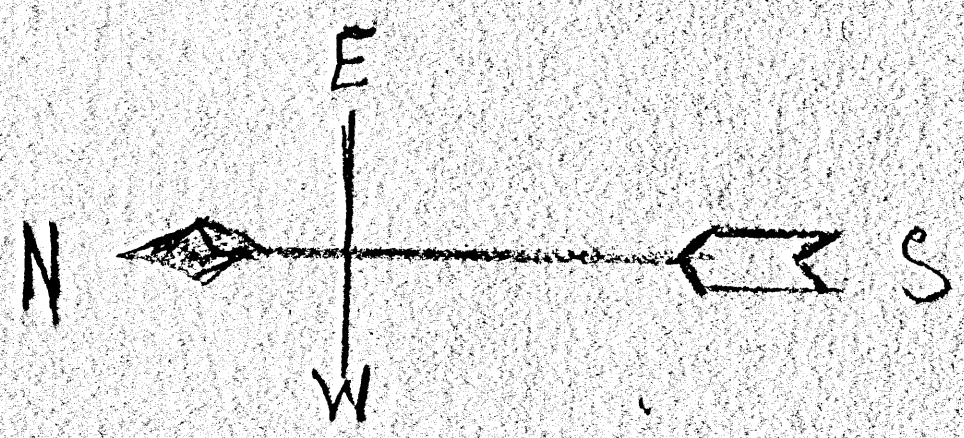
The similarity between this application and one received from the same applicant on September 25 for work at the Jass Mine, and the vagueness of both - suggest that this applicant has no definite idea of just what he intends to do.

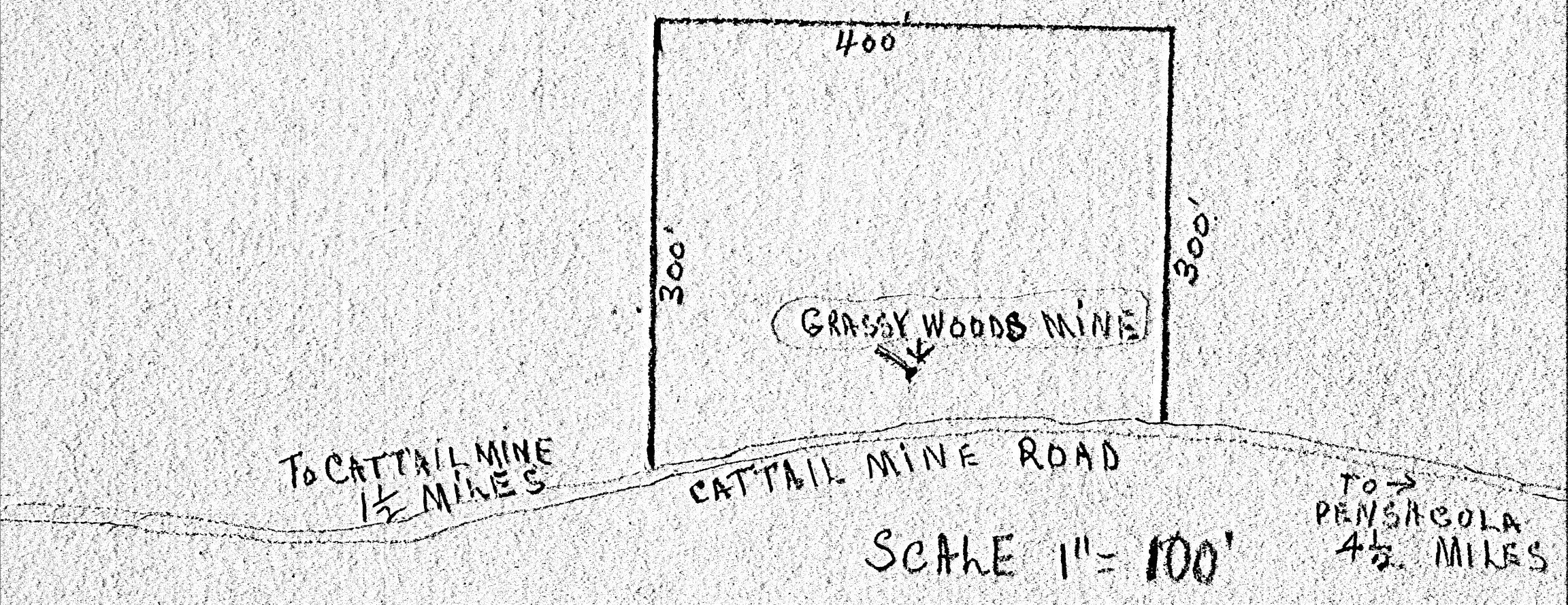
Robert A. Laurence

RAL/mm

DMEA 2726

Supplementary detailed estimate [illegible] the work and complete [illegible]





SCALE 1" = 100'

PLAT OF GRASSY WOODS MINE
ON CATTAIL CREEK
PENSACOLA-YANCEY COUNTY
NORTH CAROLINA
FOR
RAY SHEPERD