☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12-8-52
Incl. Voucher for August 1953

☑ Actual Cost

☑ Agreed Unit Costs

Name Balsam Mica Mines

Docket No. 2733

State North Carolina

Commodity Mica

Idm-E No. 526

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify)					
Surface Excavation ~~1740 Actual~~ ~~1000 Unit Cost~~ ↑ unit		~~1740.00~~ ~~1000.00~~ 2740		2033.30	
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		2740.00		2033.30	2033.30

Amd #1
Change Test pits to barrows on test pits

Prepared by Alexander Hopkins

71626

DUNSAN MICA MINES, SPRUCE PINE, NORTH CAROLINA. Dalton Mine.

Mitchell County, North Carolina. 27
Letter to the Field with reference to its numerous 9/23/53
[illegible] 1953, regarding the operation with to develop
[illegible] and [illegible] and [illegible]

DATA-2732
[illegible]

Mr. Conley

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Balsam Mica Miners
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E526, Docket No. DMEA-2733, including Amendment No. 1, for the months of July, 1953 to August, 1953, inclusive, covering a project for the exploration of mica on property known as the Balsam Mica Mine, located in Yancey County, North Carolina.

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

The review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred on an actual cost basis under the contract; and
(c) a large portion ($833.33) of the costs were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$2,033.33
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$2,033.33

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Eighteen hundred thirty and no/100 Dollars

$1,830.00

is considered valid and proper.

E. D. Talbert

January 20, 1954

E. D. Talbert, Auditor

Division Copy

EXPLORATION PROJECT CONTRACT
BALSAM MICA MINERS
DOCKET NO. DMEA-2733

AMENDMENT NO. 1

It is agreed this 16th day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Lewie Aldridge, C. W. Greene, J. R. Beam, John L. Phillips, Sam L. Phillips, and Phillip Ray, partners, doing business as Balsam Mica Miners, each acting in consideration of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-E526, Docket No. DMEA-2733, dated May 21, 1953, be modified and amended as of July 3, 1953, as follows:

1. In Exhibit "A" under "Description of the Work," the third paragraph is changed to read as follows:

> To supplement the above trenching, excavate not more than 1200 cubic feet of test pits and/or benches.

2. Under "Estimated Costs of the Project," under the heading "Agreed Unit Costs," on page 3, the first line is changed to read:

> 1200 cubic feet of test pits and/or benches @ $0.33-1/3/cu. ft. $1,000.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as allowable maximum.

Executed in sextuplicate the day and year first above written.

BALSAM MICA MINERS

Lewie Aldridge
C. W. Greene
J. R. Beam
John L. Phillips
Sam L. Phillips
Phillip Ray

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

Chm. Butler
Hall
Alexander

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

DOCKET NO. DMEA 2733

COMMODITY Mica

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

Division Copy

IDM-E 526

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 21st day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Balsam Mica Mines, a partnership composed of Lewis Aldridge, C. M. Greene, J. R. Beam, John L. Phillips, Sam L. Phillips, and Phillip Ray, Spruce Pine, North Carolina.

hereinafter called the "Operator," as follows: and as set forth in Annex I attached hereto and made a part hereof

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] A part of the tract of land known as the Ray Boundary on Bolens Creek consisting of an area 800 feet in radius from the center of the Balsam Mine marked "S.P." on the map attached hereto and made a part hereof and entitled "Balsam Mica Mine, Yancey County, North Carolina, DMEA-2733."

the Operator represents and undertakes:

(*a*) ~~That the Operator is a lessee, in possession and entitled to possession, and the lease is subject to the following provisions, a copy of which lease or memorandum of lease is attached:~~

Guaranty of 6 partners is attached

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

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

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

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and as set forth in Article 14.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $2,466.00, which is 90 percent of $2,740.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided*, that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* The Operator's obligation to bring the project to completion continues only as long as the accumulated allowable costs of the project in which the Government will participate do not exceed the agreed, total estimated cost of the project set forth in Article 8.
**

Executed in sextuplicate the day and year first above written.

BALSAM MICA MINERS
(Operator)

By

By

By

By

By

By

THE UNITED STATES OF AMERICA

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]

**ARTICLE 14. To the extent that costs are set forth in Exhibit "A" as agreed unit costs, they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

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

EXPLORATION PROJECT CONTRACT
BALSAM MICA MINERS
DOCKET NO. DMEA-2733

EXHIBIT "A"

Description of the Work

The exploration of the Balsam Mine will begin with surface excavation as shown on the map attached hereto. Four crosscutting trenches, deep enough to remove the overburden and expose pegmatite in place, will be excavated, as set forth below, to disclose mica shoots laterally along the strike of the ore body previously mined, or pegmatite dikes in the foot or hanging walls.

Trench No.	Approximate Dimensions - Feet		
	Length	Width at Bottom	Nominal Depth
1	180	12	10
2	80	12	10
3	180	12	10
4	60	12	6

A shallow, water-diversion ditch on proper grade is also to be excavated approximately as indicated on the aforesaid map.

To supplement the above trenching, excavate not more than fifty (50) feet of test pits 4' x 6' in cross section. 1/

The location, direction and extent of all work shall have prior approval of the Government. 2/

1/ If in the opinion of the Government, additional trenching should be performed in lieu of any or all of the test pits, this may be done on the basis indicated in footnote 2.

2/ If more than the above specified four (4) trenches and diversionary ditch are approved by the Government, additional such work at the same rate per hour may be allowed provided the total estimated cost of the project is not exceeded.

If the results of the above work are satisfactory to it, the Government, in its discretion, may by amendment of this contract consent to further additional exploration work at an additional cost.

Estimated Costs of the Project
(*Indicates allowable maximum)

(1) **Independent Contracts**

Operation of 1 bulldozer, including operator, transportation to and from site, repairs, gasoline and all other costs -
150 hrs. @ $10.00/hr. 3/ $1,500.00*

(2) **Labor, Supervision, Consultants**

1 working supervisor - 150 hrs. @ $1.60/hr.* for time actually spent at work 240.00*

(3) **Operating Materials and Supplies**

None

(4) **Operating Equipment**

None

(5) **Rehabilitation and Repairs**

None

(6) **New Buildings, Improvements, Installations**

None

(7) **Miscellaneous**

None

(8) **Contingencies**

None

Total Estimated Actual Costs $1,740.00*

3/ See footnote 2.

Agreed Unit Costs

50'Test pits @ $20.00/ft. $1,000.00

The Government will contribute to the cost of excavating the needed test pits on the basis of the above agreed unit costs as they accrue for units of work in lieu of actual costs. This unit cost includes all costs of this work, which may be performed by independent contractor without reference to the provisions relating to independent contracts and contractors in Articles 4(a) and (b) and 6(a) of the contract form.

S U M M A R Y

Total Estimated Actual Costs	$1,740.00	
Total Agreed Unit Costs	1,000.00	
Total Estimated Cost of Project		$2,740.00*
Government Participation @ 90%		$2,466.00*

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of the Owner's Consent to Lien, as set forth in paragraph 2 (b) of the attached Exploration Project Contract, the undersigned jointly and severally hereby guarantee payment to the United States of America of any royalties, as specified in said Contract and any future amendment thereof, upon any and all ore which is mined within ten years of the date of said Contract from the land described in Article 2 thereof, regardless of whether the undersigned have any interest in the property covered by the said Contract, or any part in the mining operations at the time said ore is mined. If for any reason the net smelter returns or other net amounts, from operations that would be subject, under the said Contract and any amendment thereof, to such payments to the United States of America, are not available as a means of measuring the amount of such payment, then the undersigned agree and undertake jointly and severally to make such payment according to the best estimates of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agree jointly and severally that the determination thereof by either the Administrator of Defense Minerals Exploration Administration, or his designee, shall be final and binding upon the undersigned.

Dated May 21, 1953.

Lewis Aldridge (Seal)

C. W. Greene (Seal)

J. R. Beam (Seal)

John L. Phillips (Seal)

Sam L. Phillips (Seal)

Phillip Ray (Seal)

MAR 1954

600

Mr. Lewis Aldridge, Manager
Balsam Mica Miners
Spruce Pine, North Carolina

Re: Docket No. DMEA-2733 - Mica
Balsam Mine
Yancey County, North Carolina
Contract No. Idm-K526

Dear Mr. Aldridge:

We are pleased to advise you that your performance of exploration work under the subject contract has been satisfactory to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total allowable costs incurred	$2,033.33
Total Government contribution at 90 percent	$1,830.00

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

C. O. Mittendorf
Administrator

WCAnderson:gad 3/4/54
Copy to: Admr. R. File
Docket File
Field Team, Reg. 7
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Property owners as follows: Alice S. Byrd, Mrs. Pansy Ray, J. A. Higgins, Nu-Wray, Inc., J. Frank Ray and wife, Ruby Ray

Mr. Houk

March 4, 1954

Project Summary Report

By: Walter C. Anderson

1. DMEA Docket No. 2733 - Mica
Contract No. Idm-E526
Balsam Mine, Yancey County, North Carolina

Operators: Lewis Aldridge, C. W. Greene, J. R. Beam
John L. Phillips, Sam L. Phillips and Phillip Ray
d/b/a Balsam Mica Miners
Spruce Pine, North Carolina

Operator's Property Rights -
Lease and Option - dated August 16, 1952.
Guarantee of payments - dated May 21, 1953.

2. Contract - dated May 21, 1953.
Work authorized:

Rental - one bulldozer for excavating 4 trenches 150 hours @ $10.00/hr.	$1,500.00
1 working supervisor - 150 hrs @ $1.60/hr.	240.00
50 feet of test pits @ $20.00/ft.	1,000.00
Total estimated cost	$2,740.00
Government participation @ 90%	$2,466.00

Amendments: No. 1 - 10/16/53 - changes "50 feet test pits @ $20.00/ft." to "1200 cubic feet of test pits and/or benches at $0.83 1/3/cu.ft."

Work completed:

Rental bulldozer - 120 hrs. @ $10.00/hr.	$1,200.00
1000 cubic feet of test pits and/or benches @ $0.83 1/3 cu.ft.	833.33
Total accepted cost	$2,033.33
Government participation @ 90%	$1,830.00

Work began the latter part of June, 1953 and was completed on August 28, 1953, per final field team report dated 2/2/54.

3. Audit: Certificate issued on January 20, 1954 (no exceptions).

4. Certification of Discovery - none issued.

5. Comments:

How conducted - Operators satisfactorily accomplished work on schedule, as set forth in contract.

Operation - Good cooperation with the Government in planning and carrying out necessary work.

Engineering - Operators submitted acceptable monthly reports, but failed to submit a final engineering and geological report. Field Team accept last 104.

Geological premises - The premise that a favorable structure for localization of a mica shoot existed along the strike of the pegmatite on either side of the Balsam Mine proved incorrect. Trenching exposed a thin pegmatite containing no strategic mica.

Geological criteria upon which work was based -

1. The Balsam Mine was a pipe like body 40' by 20' in horizontal plane and persistent for about 400 feet down the dip.
2. Mica content was up to 50% of the stoped area.
3. Past production - World War II - Colonial Mica Reports $57,359.27. Owner's report same period $129,000.

Geological criteria developed during exploration project -

1. No abrupt changes and irregular bends in dip and strike were observed near pegmatites.
2. Pegmatite too thin to contain a workable mica deposit.

Future possibilities - No additional work warranted.

Recommendation - Concur with field team that no certification be made.

WCAnderson:gad 3/4/54
Copy to: Admr. R. File
Docket File
Mr. Houk

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

FEB 15 1954

February 12, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2733

Contract Number: Idm-E526

Applicant: Balsam Mica Miners

Name and Location of Property: Balsam Mine
Yancey County, North Carolina

Date of Field Team Final Report: February 2, 1954

Date Rec'd by Ceramic & Fert. Mats. Branch: February 8, 1954

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. Strategic mica was not recovered.
2. Expenditures -

Total approved	$2,740.00
Total cost of project	2,033.33
Government's share	1,830.00
Value	None

Recommendation:

I concur in the field team's recommendation to deny certification of discovery or development.

Signed

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

1954

February 10, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2733 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Balsam Mica Miners, Yancey County, North Carolina.
Name of property: Balsam Mine.
Location of property: Yancey County, North Carolina.
Date of field team report: February 2, 1954.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation: No certification of discovery be made.
Comments: No worthwhile mica deposit was found.
ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
2/10/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
FEB - 4 1954

February 2, 1954

Memorandum

To: Operating Committee, DMEA - Washington, D. C.

From: Field Team, D M E A - Region VII

Subject: Final Report on DMEA-2733, Idm-E 526, (mica) Balsam Mica Miners, Yancey County, North Carolina

Enclosed are 4 copies of the Field Team final report on the subject exploration contract.

Work was completed on August 31, 1953, but the Operator did not submit final voucher and monthly report until January 15, 1954. Operator has not submitted a final engineering and geologic report, but we consider the two monthly narrative reports to adequately fill the requirement.

We agree with the field examiner's conclusion that certification of discovery should not be issued.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/zm

Reviewed by
DMEA OPERATING COMMITTEE
2-8-54
(date)

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR

3/9/54

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
ON

DMEA-2733, Idm-E 526 (mica)
BALSAM MINE
Yancey County, N. C.

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

and

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

February 2, 1954

Reviewed by
DMEA OPERATING COMMITTEE
2-8-54
(date)

DEPENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1954

FINAL REPORT
ON
DMEA-2733, Idm-E 526, BALSAM MINE
(mica)

Operator: Balsam Mica Miners, c/o Lewis Aldridge, Spruce Pine, N. C.

The Balsam mica mine is 4.1 airline miles S. 23° E. of Burnsville, North Carolina in Yancey County. The mine is on the crest of a west spur of Celo mountain.

Mica bearing pegmatite was uncovered in two of the trenches. Trench No. 2 uncovered the extension of a pegmatite previously mined in the "Duck's Nest" and Trench No. 1-4, which is one continuous trench, exposed pegmatized gneiss that contains some small mica. At neither place was worthwhile mica-bearing pegmatite exposed, nor is additional work warranted. No discovery was made, thus no certification of discovery should be issued.

Work began on this project during the latter part of June 1953 (Operator's narrative report gives July 6, but this is in error), and was completed on August 28, 1953. Work accomplished under the project consisted of cutting three bulldozer trenches as shown on the attached map to 12 feet. In addition to the trenching, two cuts, one in Trench No.2, 12 feet long, 4 feet wide, and 4 feet deep, and one bench cut in Trench 1-4, 25 feet long, 6 feet wide, and an average face height of 7 feet were made.

The cut in Trench No. 2 explored the northeast extension of the pegmatite previously mined in the "Duck's Nest," This pegmatite is on the footwall side of the main Balsam pegmatite and has been worked previously to an unknown depth. In Trench No. 2 this pegmatite was uncovered along its strike for about 35 feet. The cut is located in the thickest part of the pegmatite. It ranges in thickness from 6 to 15 inches. Many books of mica up to 8 inches in diameter were recovered from this cut, but all of the mica is badly stained by fine to medium black spots. No strategic mica could be recovered. Furthermore the pegmatite is too thin to contain a workable mica deposit.

In Trench No. 1-4 a bench cut was made on a pegmatite which thoroughly saturates a buitite gneiss. Mica books up to two inches in diameter occur, but no true pegmatite was found.

From the above it is apparent that no worthwhile deposit of mica was discovered, thus no certification of discovery should be issued.

Reviewed by
DMEA OPERATING COMMITTEE
2-8-54
(date)

Expenditures:

(a)	Total approved	$2,740.00
(b)	Total Cost of project	2,033.33
(c)	Government's share of cost	1,830.00
(d)	Government's share unexpended	636.00
(e)	Value of production during operation - None	

This project was conducted in a satisfactory and efficient manner. No equipment was bought for the project, thus there was no salvage.

K. H. Teague, Geologist, U.S.G.S.

L. E. Shirley, Mining Engineer, USBM

Reviewed by
DMEA OPERATING COMMITTEE

(date)

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 42
JAN 21 1954

192

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of ~~December~~ August, 1953 Docket No. DMEA 2733 Contract No. Idm- E 526
Operator's Name Balsam Mica Miners Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 3,740.00 Government Participation: 90% Amount, $ 3,366.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		1200.00	1200.00			
Crosscutting						
Drifting						
Test pits and/or benches	833.33	None	833.33			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$ 833.33	$1200.00	$2033.33	833.33	1200.00	2033.33

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 1-8-54 *Payee Balsam Mica Miners
Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 750.00
Signature Cora A. Piper
(Authorized Certifying Officer)
Date JAN 19 1954 Vou. No. 192
(See other side)

Index 7 C-8/31/53

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E526 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. Date Jan. 13, 1954

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. W. Burk ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date JAN 18 1954

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ~~Dec.~~ Aug. 1953 Docket No. DMEA 2733 Contract No. Idm- E 526
Operator's Name Balsam Mica Miners Minerals Mica
Address Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
~~Drifting~~ Bulldozing	Hr.			1200.00	120	10.00	150	10.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits and/or benches	cu. ft.	833.33	1000	833.33	1000	.83 1/3	1200	.83 1/3
Roads and Trails								
TOTAL DISTRIBUTED COSTS		833.33		833.33				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$833.33		$833.33				

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

Date 1-8-54 Operator Balsam Mica Miners

Per Sam L. Phillips Title Partner

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 21 1953

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of August, 1953

DMEA No. 2733

Idm- E 526

Work Accomplished

We have benched and did test pits for a total of 1000 cu. ft. for the month of August.

Daily Notes

August	3 - 5	Benched and drilled.
August	6 - 7	Did some shooting and drilling.
August	10 - 12	Benched and did test piting.
August	13 - 14	Drilled and did some shooting.
August	17 - 18	Found some mica but quality no good.
August	19 - 21	Benched and did more test piting.
August	24 - 26	Drilled and did more shooting.
August	27 - 28	Benched and did more test piting.
August	31	Drilled and did more shooting.

RECEIVED
JAN 15 1954
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

RECEIVED
JAN 15 1954
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 11, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Completion dates: DMEA-2733 and DMEA-2790.

Reference is made to your letter of December 4.

DMEA-2733, Idm-E 526 (Balsam Mica Miners) was completed long before the expiration date, but we have been unable to get a final voucher and final report from the Operator.

DMEA-2790, Idm-E 512 (Presnell Mica Miners). Amendment sent to Operator on November 23 for signature; has not yet returned. Letter is being written to Operator today asking for return of signed copies.

Robert A. Laurence

Robert A. Laurence

C
O
P
Y

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

Room 13, Post Office Bldg.
Knoxville 2, Tenn.

December 11, 1953

Memorandum

To: Operating Committee, DMEA- Washington

From: Executive Officer, DMEA - Region 7

Subject: Completion dates: DMEA-2733 and DMEA-2790

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DMEA-2790, Idm-E 512 (Presnell Mica Miners). Amendment sent to Operator on November 23 for signature; has not yet been returned. Letter is being written to Operator today asking for return of signed copies.

/s/ Robert A. Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 3 - 1953

December 1, 1953

Balsam Mica Miners
c/o Lewie Aldridge
Spruce Pine, N. C.

Subject: DMEA-2733, Idm-E 526 (mica)
Balsam Mine, Yancey Co., N. C.

Dear Mr. Aldridge:

On October 19, 1953, I sent to you for signature, six copies of Amendment No. 1 to the subject contract, providing for converting some of the test-pitting to benching. We have not received the signed copies back from you. Please have all 6 copies signed by all six partners, and return the original and four copies to me as soon as possible.

Also, we have received only one monthly report and voucher (for July) from you. In order that we may complete our records on this contract, work on which has been completed, please send me as soon as possible your final voucher, and your final engineering and geologic report as provided in Article 7b of the contract.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region 7

RAL/zm
cc:
Beck
Lynch
Cpr. Com.
Files

600

DEC 2 1953

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

Dear Mr. Laurence:

We wish to call your attention to the following dockets, the completion dates of which may require extension by amendment:

Docket	Contract	Completion date
DMRA-2733	Idm-E526	November 21, 1953
DMRA-2790	Idm-E512	November 23, 1953

Where this will be necessary and you approve, will you please furnish us copies of such amendment.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

WCAnderson:ag 12/2/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232, GSA Bldg.
Mr. Houk

600

OCT 16 1953

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

Subject: Docket No. DMEA-2733 - Mica
Balsam Mica Miners
Balsam Mine
Yancey County, North Carolina
Contract No. Ibs-E526

Dear Mr. Laurence:

We are enclosing the original and five copies of Amendment No. 1 to the above-referenced contract which have been signed by the Administrator for the Government.

If the terms and conditions of this amendment are satisfactory to you and the Operator, all six copies should be signed and the usual distribution made.

If any part of this amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies of the subject amendment are to be returned to this office, together with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures 6

WCAnderson:gad 10/15/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

October 2, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region VII

Subject: Amendment to Docket No. DMEA-2733-mica, Contract Idm-E 526
Balsam Mica Miners, Yancey County, North Carolina

The subject contract was set up to do surface excavation in 4 trenches which were to be supplemented by test pits not in excess of 50 linear feet.

After completion of the trenching in the four designated locations, a test pit 4' x 4' in cross section was dug to a depth of 12 feet in trench No. 1 without showing a worthwhile pegmatite. In trench No. 2 the pegmatite and country rock were very hard and required drilling and blasting. As the trench was slopeing steeply down the hill the field examiners suggested that instead of sinking test pits a better view of the deposit could be obtained by benching in the trench. This was done with the approval of the Field Team.

As no allowance was made in the contract for benching the "field team requests that an amendment be prepared" allowing the Operator to either test pit or bench in the trenches. It is suggested that both the "test pitting and benching be set up on a cubic foot basis" and that "no more than 1200 cu. ft. @ $0.83 1/3 per cubic foot be excavated." This "amounts to $1,000.00" which is "the sum set up in the contract for test pitting."

As we have received only the July Operator's monthly report and voucher, which was for bulldozing only, we would suggest that the "effective date of the Amendment Be July 3, 1953."

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

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

MDS
B/sm

600

SEP 2 3 1953

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

Subject: Docket No. DMEA-2733 - Mica
Balsam Mica Miners
Balsam Mine
Yancey County, North Carolina
Contract No. Idm-3526

Dear Mr. Laurence:

Reference is made to your memorandum of September 15, 1953, to the Operating Committee, stating the contract work is completed and that no discovery has been made and expressing the desire of the Operators to dewater, recondition, and explore from the old shaft as proposed by them in their original application.

The original work proposal dated November 20, 1952, and the less elaborate program of exploration dated February, 1953, were principally rehabilitation and preparation for mining of a known mica shoot, and as such are not eligible for exploration assistance.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

LGHouk:gad 9/22/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

[illegible] REPORT

[illegible]-2733 [illegible]-1525 (mica) [illegible]

[illegible]: Palsam[illegible] [illegible]ner, c/o Lewis [illegible]aldridge, [illegible]gr., Spruce [illegible]ine, N. C.

LOCATION: 4.1 miles [illegible] 28° [illegible] of [illegible]urnsville, Yancey County, N. C., near the crest of a narrow ridge on the northwest slope of [illegible]elo [illegible]ountain.

This mine was visited while in the vicinity of [illegible]-2730, [illegible]. W. Brownell [illegible]ine. Exploration by trenching has been completed, but activities around the old deep shaft is in progress. The water level in the "Duke [illegible]est" area has been lowered about 10 feet by a gasoline pump, but it is not known whether other work will be attempted.

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

[illegible]. [illegible] [illegible]ague, Geologist
U. S. Geological Survey

September 11, 1953
MDS

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

Mr Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2700 Contract No. Idm-E 526
Operator's Name Nelson Mica Miners Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	1200.00	Zero	1200.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1200.00		1200.00	1200.00		1200.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-14

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8-18-53 *Payee Nelson Mica Miners

Per Sam L. Phillips Title Partner

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

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

(Instructions on reverse)

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

$1080.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date SEP 11 1953 Vou. No. 73

(See other side)

120.00

Ret 2/6

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E526 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Aug. 31, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 3 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1958 Docket No. DMEA 2708 Contract No. 14-0-628

Operator's Name Falcon Mica Miners Minerals Mica

Address Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs.	1200.00	120	1200.00	120	10.00		
TOTAL DISTRIBUTED COSTS		1200.00		1200.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1200.00		1200.00				

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

Date 8-18-58 Operator Falcon Mica Miners

Per Sam L. Phillips Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

CRESCENT
MONTHLY PROGRESS REPORT
for the
Month of July, 1955

DEMA 8783

MDL-P 826

Work Accomplished

We have bulldozed 123 hrs. for the month. We have finished trenches 1, 2 and 3, and worked as much as could be done on trench 4. We have encountered mine in two trenches 1 and 3.

Daily Notes

July 6 - 10 Bulldozed 40 hrs. in trench 3 and uncovered mine.

July 13 - 17 Bulldozed 40 hrs. in trench 2 but did not contact any mine.

July 20 - 24 Bulldozed 40 hrs. in trench 1 and 4, uncovered mine in trench 1 but encountered big rock in trench 4 and couldn't go any further.

RECEIVED
SEP 2 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tennessee

EXECUTIVE OFFICER
DMEA REGION VII
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 15, 1953

Memorandum

To: Operating Committee - DMEA- Washington

From: Field Team, DMEA - Region 7

Subject: Balsam Mine, DMEA-2733, Contract No. Idm-E526. (mica)

Work as provided in subject contract has been completed. Mica bearing pegmatite was encountered in trenches No. 1 and 2. In trench No. 1 intermixed pegmatite and biotite gneiss were found west of the old dump. A bench which was opened in this material exposed small stringers of pegmatite containing mica of scrap size and quality only. In Trench No. 2 a pegmatite from 6" to 15 " thick was exposed for 20 feet along the strike. Mica up to 12 inches in diameter was obtained from this pegmatite, but it was all mineral stained and of electric grade only, thus the work was abandoned.

During the field inspectors last visit to the project (Sept. 11, 1953) the operators expressed a desire to secure aid in dewatering, reconditioning, and exploring from the old workings. Certainly the results to date have been negative and as the project now stands no discovery has been made.

The purpose of this inquiry is to ascertain the current opinion on conducting exploration from the old incline. The original program as recommended in the examination report dated November 28, 1952, was, as we agree, elaborate and in part, development. During February 1953 a less elaborate program of exploration was discussed with the Non-metallic Minerals Division. The program as discussed in February consisted of rehibilitation of about 150 feet of incline, 200 - 300 feet of drift and crosscut, and long jackhammer holes.

The Field team is of the opinion that if the Operators could be aided in rehabilitating part of old opening, they would continue at their own expense. We believe that rehabilitation of 150 feet of incline at

EXECUTIVE OFFICER
DMEA REGION VII
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

$20.00 per foot; 150 feet of drift or crosscut @ $35/foot; and 300 feet of jackhammer holes @ $1.00/ foot will be sufficient to bring this mine into operation.

The above is not a recommendation, but a statement of the conditions as they exist.

Executive Officer, DMEA
Field Team, Region VII

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

zm
8

[illegible]

[illegible], c/o [illegible], [illegible]

[illegible] near the [illegible] northwest slope of [illegible] Mountain.

[illegible] has been [illegible] approximately 18 feet of work vertically. [illegible]

[illegible]

The operators, [illegible] from the old shaft and water in the vicinity of the [illegible]. Unless some form of exploration can be justified here, it is suggested that this contract be terminated.

[illegible] Thirley, Mining Engineer
U. S. Bureau of Mines

August 22, 1935

Mr Anderson

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
AUG 12 1953

[illegible] REPORT

[illegible]-2733 Idm-1526 (mica) [illegible]

OWNERS: [illegible] Miners, c/o Lewis Aldridge, [illegible]r., Spruce Pine, N. C.

LOCATION: 4.1 miles [illegible] 28° [illegible] of [illegible]ville, Yancey County, N. C., near the crest of a narrow ridge on the northwest slope of Celo Mountain.

A test pit within Trench No. 1 has been completed and benching will begin in the near future on pegmatite material exposed in Trench No. 2. Test pitting at the No. 1 location removed pegmatite material from an area 12' x 4' x 4' and the bottom was reported as containing a pegmatite stringer about 6" in thickness flanked by mica schist. Material examined consisted of quartz, feldspar and several pieces of badly stained and bent muscovite mica.

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

R. H. Carpenter, Geologist
U. S. Geological Survey

July 31, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 29 1953

[illegible]

[illegible]

[illegible] Lemuel Dix Mines, c/o Lewis [illegible], [illegible], Spruce [illegible], [illegible] [illegible] miles [illegible] 28° [illegible] of Burnsville, Jackson County, [illegible], near the crest of a narrow ridge on the northwest slope of Solo Mountain.

The trenching of 4 areas, as outlined in the contract, has been completed. No estimate of the number of hours required for this work was given. Trenches No. 1 and 2 showed pegmatite material as described in the June 22, 1953 Bureau report. Additional bulldozing, on area No. 1 exposed the body for an additional 10-15 feet. Some large weathered blocks of ice were observed in this new section, and it is difficult to evaluate this material without additional work. It was suggested that trenching and/or bulldozing be done at both pegmatite locations.

Trenches 3 and 4 did not cut pegmatite material. Work on trenches No. 1 and 2 will begin as soon as necessary equipment is obtained.

L. [illegible] Shirley, Mining Engineer
U. S. Bureau of Mines

R. R. Tea[illegible], Geologist
U. S. Geological Survey

July 17, 1953

INTERIM REPORT

[illegible]-2733 Idm-2620 (mica) SALEM MINE

Location: Salem Mica Mines, c/o Lewis Eldridge, Mgr., Spruce Pine, N. C.

[illegible] 6.4 miles S 20° W of Burnsville, Yancey County, N. C., near the crest of a narrow ridge on the northwest slope of Celo Mountain.

[illegible] trenching by bulldozer of four open cuts has begun. Trenches No. 1 and No. 2 have been completed and both exposed some pegmatite material, but to properly evaluate this material, additional work by bulldozer or blasting will be necessary. Trench No. 1 cut pegmatite composed of quartz boulders, feldspar and small blocks of ruby mica. It was suggested that additional bulldozer work be done on lines along the northeastern portion of the body. In the lower end of this cut [illegible] and a rhyolite and dump material shows. Trench No. 2 exposed granitic material at the center of the cut for a distance of about 20 feet, composed principally of feldspar and biotite. The lower section exposed a pegmatite body for 10-15 feet in length and a vertical section of 4-5 feet. This material is very hard and is composed of quartz, feldspar with some scattered blocks of ruby mica. It was suggested that some benching and blasting, as an experiment, be accomplished here to determine mica content. Trenches No. 3 and 4 will probably be completed by July 15, 1953.

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

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

June 29, 1953

INSPECTION REPORT

RMSA-2733 Tom-0526 (mica) BALSAM MINE

OPERATOR: Balsam Mica Miners, c/o Lewis Aldridge, Mgr., Spruce Pine, N. C.

LOCATION: 4.1 miles S 23° E of Burnsville, Yancey County, N. C., near the crest of a narrow ridge on the northwest slope of Cole Mountain.

The purpose of this visit to the mine was to clarify the proposed trenching to the operators. Actual machine work on these cuts will begin within the coming week.

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

K. E. Teague, Geologist
U. S. Geological Survey

June 19, 1953

- JUN 1 1953

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

Subject: Docket No. DMEA-2733 - Mica
Balsam Mica Miners
Balsam Mine
Yancey County, North Carolina
Contract No. Idm-3526

Dear Mr. Laurence:

Reference is made to your memorandum to the Operating Committee, dated May 25, 1953, on the subject contract.

The personal "Guaranty" forms are enclosed herewith and should be signed by all six partners. The financial statements of each of the applicants should be returned to this office. Also enclosed are six copies of Annex 1 which should be attached to each copy of the contract and made a part thereof.

Kindly make the following corrections in the contract forms in your possession before execution:

In line eight of the first page of the subject contract after "as follows", kindly type in: "and as set forth in Annex 1 attached hereto and made a part hereof".

Under Article 2 (b) strike out the "Owner's Consent to Lien is attached, and type in: "the Guaranty of 6 partners is attached."

A blank contract with the proper corrections made is enclosed for your convenience.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 13

LGHouk:gad 5/27/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

(6)

MAY 21 1953

Mr. Robert A. Laurence
Executive Officer, [illegible]
Field Team, Region VII
[illegible], Post Office Building
[illegible], Minnesota

Subject: Docket No. [illegible] - 2733 - [illegible]
Johnson Lake Sites
Pelican Rapids
Otter County, North Carolina

Dear Mr. Laurence:

Enclosed herewith two original and five copies of a contract covering the subject conservation project which has been signed by the Governor with the proper number of effective copies to follow.

If the contract is to be given approval, insert the time for starting the work in Article 3 of the contract and send it to us before for approval and signature. The attached approval resolution, as well as the contract itself, must be signed by all members of the partners. Please explain to the partners that the contract, when executed, is a firm commitment under the terms of which they are obligated to contribute the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the partners and cannot be executed within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

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

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Board of Land

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 13

Sweitler:fle 5/19/53

Copy to: Adm. A. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232, [illegible]
Mr. Nook

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

600

May 19, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Waiver of MF-203 - Docket No. DMEA-2733 - Mica
Balsam Mica Miners
Balsam Mine
Yancey County, North Carolina

Recommendation: It is recommended that the Administrator accept the Applicants' personal guarantees of royalty payments in lieu of an Owner's Consent to Lien as the data presented below indicates that the resources and reputations of the individuals are adequate.

Data and conclusions:

The applicant is a partnership composed of Lewie Aldridge, C. W. Greene, J. R. Beam, John L. Phillips, Sam L. Phillips, and Phillip Ray and has requested that the partner's personal guaranty be accepted in lieu of an Owner's Consent to Lien.

Financial statements submitted by the partners indicate net worths as follows:

5/1/53	Lewie Aldridge	$ 59,250.00
5/1/53	Claude W. Green	34,048.15
5/1/53	J. R. Beam	48,500.00
4/15/53	John L. Phillips	81,033.81
4/15/53	Sam L. Phillips	36,000.00
5/1/53	Phillip Ray	29,800.00
	Total	$288,631.96

The estimated cost of the project is $2,740.00 and Government participation, at 90%, is $2,466.00. On the basis of their aggregate net worth, the Nonmatallic Minerals Division recommends ~~in~~ accepting financial statements and personal guarantees in lieu of Owner's Consent to Lien.

Stanley A. Feitler
Nonmetallic Minerals Division

May 19, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Waiver of MF-203 - Docket No. [illegible]-2733 - Mica
Balsam Mica Mines
Balsam Mine
Yancey County, North Carolina

Recommendation: It is recommended that the Administrator accept the Applicants' personal guarantees of royalty payments in lieu of an Owner's Consent to Lien as the data presented below indicates that the resources and reputations of the individuals are adequate.

Data and conclusions:

The applicant is a partnership composed of Lewis Aldridge, C. W. Greene, J. R. Beam, John L. Phillips, Sam L. Phillips, and Phillip May and has requested that the partner's personal guaranty be accepted in lieu of an Owner's Consent to Lien.

Financial statements submitted by the partners indicate net worths as follows:

5/1/53	Lewis Aldridge	$ 59,250.00
5/1/53	Claude W. Green	34,048.15
5/1/53	J. R. Beam	48,500.00
5/15/53	John L. Phillips	81,033.81
5/15/53	Sam L. Phillips	36,000.00
5/1/53	Phillip May	29,800.00
	Total	$288,631.96

The estimated cost of the project is $2,740.00 and Government participation, at 90%, is $2,466.00. On the basis of their aggregate net worth, the Nonmetallic Minerals Division recommends ~~in~~ accepting financial statements and personal guarantees in lieu of Owner's Consent to Lien.

SAFeitler:fls 5/19/53
Copy to: Admr. R. File
Docket File
Mr. Houk

Stanley A. Feitler
Nonmetallic Minerals Division

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

March 2, 1953

Memorandum

To: Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Balsam Mica Mines - Docket No. DMEA-2733 (Mica)

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
Chief Counsel

Attachments

AEKane/ema/5-2-53
cc: Mails & Files
L. G. Houk
J. L. Hofflund
A. E. Kane
Chron.

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

March 2, 1953

Memorandum

To: Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Balsam Mica Miners - Docket No. DMEA-2733 (Mica)

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

Attachments

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-2733, Mica, Balsam Mine, Yancey County, North Carolina

I concur in the field team's recommendation for an exploration program of four stages in the amount of $24,300.

Brooke L. Gunsallus

IN REPLY REFER TO:

G-MD-CNM

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

December 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 17 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2733 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey
Applicant: Balsam Mica Miners (Lewis Aldridge, Manager)
Name of property: Balsam
Location of property: 4.1 miles S. 28 E. of Burnsville, Yancey County, N.C.
Date of field team report: November 28, 1952
Authorship of field team report: Teague and Shirley
Field team's recommendations:

The field team's recommendations appear to be designed for three purposes: (1) unwater the shaft to expose any unmined part of the known mica shoot; (2) find similar mica shoots along the strike; (3) find any mica deposits in parallel pegmatites above or below the known deposit.

The specific proposals are:

1. Unwater 450-foot shaft - $9,000.
2. 300 feet of drifts up to 60 feet long at not more than 5 levels - $10,500.
3. 600 feet of jackhammer holes in foot- and hanging-wall - $600.
4. 120 feet of crosscuts and drifts to explore any deposits found by the jackhammer work - $4,200.

Criticisms of the field team recommendation:

1. The field team proposal seems to be more elaborate than justified, although the data presented indicates that a modest exploration program is warranted.

2. The estimated costs seem exorbitant. Certainly most mica mines do work of this sort at much less expense.

3. Unwatering and rehabilitating the entire shaft seem unnecessary for exploration, though possibly desirable for development.

Proposal to change field team recommendation:

Exploration for new mica shoots is unwarranted. An adequate program costing between $5000 and $10,000 probably can be set up as follows:

1. Bulldoze surface to find evidence for additional mica shoots.

2. Unwater shaft to depth of 150 feet.

3. If bulldozer work ~~were~~ is successful, a drift on the 50-foot level should show whether anything found at the surface is large enough and persistent enough to be significant.

4. Drifts on the 150-foot level might result in the discovery of a shoot that does not extend to the surface.

5. Jackhammer long holes followed by crosscutting may be warranted, but probably should be reduced to less than half what the field team proposes.

A total of 200 feet of drifts and crosscuts would probably exhaust the best possibilities.

JJN:lmc
G-12/17/52

J. J. Norton

cc: Director's Reading, 4212
Branch Reading, 4212
DMEA
NORTON-G-230

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 3 1952

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

THE BALSAM MINE - DMEA-2733 (mica)

Applicant: Balsam Mica Miners
c/o Lewie Aldridge, Manager
Spruce Pine, North Carolina

By

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

-

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

Reviewed by
DMEA OPERATING COMMITTEE
12-9-52
(Date)

November 28, 1952

Field Examination Report on

THE BALSAM MINE

DMEA DOCKET No.-2733, (mica)

Applicant: Balsam Mica Miners, c/o Lewis Aldridge, Manager,
Spruce Pine, North Carolina

Exploration appears to be justified on the subject property. It should consist of dewatering, reconditioning, and laying track in the deep incline; driving drifts on the pegmatite at several levels to explore the possible lateral extension of the deposit; and exploring both the hanging- and foot-walls for possible nearby parallel pegmatites. Should parallel pegmatites be found, then crosscuts and drifts should be driven to explore them.

This deposit was examined on November 22, 1952. The Field Team was accompanied by Lewis Aldridge, Fanny Beam and Phillip Ray, three of the applicants. The examination required six hours.

The location, geology, and extent of the workings as of August 1944 is given on the attached report and map by the U. S. Geological Survey of the Balsam Mine. Operation of the mine continued for about one year after the map was prepared, and the applicants report that it is now in excess of 400 feet deep, on the incline (probably between 425 and 450 feet).

Reports indicate that the mine was left in good condition when it was closed in 1945, with little muck in the bottom; however, there is a good possibility that a few of the lofts which are loaded with muck will have to be replaced or removed. Water fills the mine to the shaft collar.

Access to the mine is difficult. The applicants plan to build about one mile of new access road (at their own expense) which will provide much easier access and permit 4-wheel drive trucks to be driven to the mine.

Total production from this deposit is unknown, but large, as compared with most mica mines. Colonial Mica Corporation production figures for production during World War II indicate a production of mica valued at $57,359.27. Mr. Phillip Ray, one of the owners and holder of the lease on the deposit, informed the Field Team that the various operators during World War II paid the Ray estate royalities for $129,000.00 for mica produced. This figure is more than twice that indicated by Colonial's records.

There are no facilities, buildings, or power on the property at the present time. The applicants plan to either buy a generator or have an electric line installed. Either a single- or 3-phase power line can be obtained.

The applicants' lease on the deposit appears to be in good standing. The legal description of the area to be covered by the proposed project should read as follows:

> "The Balsam Mine herein described is meant to include the distance of 800 feet in every direction from the center of said mine. The center of the circular area with an 800-foot radius for this project is shown on the attached map entitled 'Balsam Mica Mine, Yancey County, North Carolina, IMEA-2733'. The center is marked and designated 'S. P.'"

The Field Team believed that the Balsam Mine offers a good possibility for the discovery of a significant deposit of strategic mica. Mica from this deposit has been appraised by the Spruce Pine Mica Depot as being suitable for the National Stockpile.

The Field Team recommends that this deposit be explored in several stages, each succeeding stage dependent upon results obtained from the previous stage.

Stage 1:
To consist of dewatering mine; reconditioning incline (this will consist of replacing or removing those lofts of muck which are unsafe and where necessary removing the roof or sides of the incline in order to provide a straight course at a constant grade for the inclined track); and installing steel track in the incline.

Estimated cost:
450 feet @ $20/ft. $9,000.00

Stage II:
To consist of driving drifts along the strike of the pegmatite in one or both directions from not more than 5 levels. At no level should the drifts exceed 60 feet in length. The location and extent of all drifts should be mutually agreeable to the operator and Field Team.

Estimated cost:
300 feet of drifts @ $35/ft. $10,500.00

Stage III:

To consist of drilling long jackhammer drill holes in both the hanging-and foot-wall from five levels. Each hole should be about 20 feet deep and six holes should be drilled at each level.

Estimated cost:

600' jackhammer holes @ $1/ft. $600.00

Stage IV:

To consist of exploring by crosscuts and drifts any pegmatites which may have been discovered by the drilling in Stage III.

Estimated cost:

120 feet of crosscuts and drifts @ $35/ft. $4,200.00

Estimated total cost - Stage I through IV $24,300.00

Estimated time required - 14 months

November 22, 1952

K. H. Teague, USGS

L. E. Shirley, USBM

COPY
mg 11/28/52

BALSAM MICA MINE
YANCEY COUNTY, NORTH CAROLINA

August 16, 1944

John M. Parker III

Introduction

The Balsam mica mine (No. 356 in U. S. G. S. Bulletin 936-A) in Yancey County, North Carolina, is 4.1 miles S. 28° E. of Burnsville, at an elevation of about 4500 feet near the crest of a narrow ridge on the northwest flank of Celo Mountain. One can reach the mine as follows:

> Turn south from U. S. Highway No. 19-E near the eastern edge of Burnsville onto N. C. Highway No. 197 (paved);
>
> At 0.85 mile turn left (southeast) onto the Bowlen's Creek road (dirt);
>
> At 2.45 miles farther (about 250 feet short of the switchback turn up over Low Gap) leave car in yard of house beside creek;
>
> Proceed on foot up steep sled road to east and southeast about 2.5 miles to mine.

The mine was mapped on August 4 and 10, 1944 by E. Ellingwood III, L. Goldthwait, J. M. Parker III, and J. R. Wolfe, Jr., as part of the Strategic Minerals Investigations of the U. S. Geological Survey, in cooperation with the North Carolina Department of Conservation and Development. The surface was mapped by plane table methods (Goldthwait and Wolfe) and the underground workings by Gurley and Brunton compass and tape methods (Ellingwood, Goldthwait and Parker), on a scale of 1 inch equals 20 feet.

Notes made by J. C. Olson on a visit February 17, 1940, when the mine was idle, have been freely used in this report. Information was supplied by the operators and miners.

History and workings

The deposit is reported to have been discovered sometime between 1875 and 1900 by Ned Boone or George Silvers. The first work was done by John Young, who was followed by Col. Sam Blalock, Jess Penland and F. Harris. The mine was worked by Bart Penland from about 1914 to 1919. After being idle some years the mine was reopened in 1928 by H. A. Wommack. In 1936 the mine was worked for about six months by Sam Blalock and Bob Harris. The present operation was started in January, 1943 by Lee Hilliard, P. C. Coletta, and Tom Edge, partners. The mineral rights are owned by the G. D. Ray heirs.

The mine consists of a curved open cut from which a deep, inclined shaft extends steeply downward toward the west. The cut trends northeast and is about 60 feet long, 10 to 20 feet wide, and 15 to 30 feet deep. At the southwest end a small winze (Duck's Nest) about 35 feet deep plunges at 50 degrees S. 60° W. The main shaft extends from near the middle of the open cut downward at an average angle of 62½ degrees for 280 feet (slope length) about S. 85° W. The shaft is variable in outline at different levels, but the plan in general is irregularly elliptical, averaging 20 feet parallel to the strike of the pegmatite (northeast) and 10 feet at right angles to it. The bottom is about 277 feet lower than the rim of the open cut and nearly 140 feet horizontally westward; it is about 325 feet below the surface of the ground directly above. Another old slumped and overgrown open cut about 70 feet long lies just southeast of the principal cut.

Country rock

The country rock at the Balsam mine is muscovite-biotite gneiss, locally containing many small pink garnets. Kyanite gneiss occurs in the vicinity but was not observed at the mine. The strike ranges from north to northeast and the dip from 45 to 80 degrees northwest; the average strike is N. 35° E. and the average dip about 67 degrees. In general the attitude of the country rock is irregular, and changes in strike or dip are gradual. More abrupt, irregular bends were observed, however, near the pegmatites. In places near the contacts the gneiss has been closely crumpled into chevron-shaped folds. No faults or joint sets were noted.

Pegmatite

In general the Balsam mine has exploited two thin, closely-spaced, conformable pegmaties along a swelling which plunges steeply westward. In most places along the side of the shafts

two pegmatites, each 1 to 3 feet thick, can be seen lying parallel to the gneissic foliation. These seem to have been as much as 6 to 7 feet thick in the center of the shaft, and probably to have coalesced in places. At some levels one or both pegmatites have lensed out along their strike within the mine opening; in the open cut, however, they appear to have persisted as thin sills for over 80 feet along their strike (see plan of 4458-foot level). The local swelling along which the shaft was sunk does not plunge directly down dip, i.e., toward N. 55° W., but instead rakes obliquely across the dip S. 85° W.

The pegmatite contacts are sharp and in most places conform to the gneissic foliation. The only effect of metamorphism seems to be a concentration of garnet near the contacts in both gneiss and pegmatite. At the bottom of the mine projections of gneiss and perhaps inclusions interrupt the pegmatite. A septum of gneiss 2 to 3 feet in thickness seems to have divided the pegmatites at most levels.

The pegmatite is medium to fine grained and consists mainly of plagioclase feldspar and quartz, with muscovite and garnet. The feldspar is in masses usually less than 4 to 5 inches across; it is both white and gray and a little is fairly clear. No microcline was found. The quartz is gray and is scattered through the feldspar in small masses. Small violet to pink garnets are common, especially in the feldspar and mica. No zoning of the pegmatite is apparent.

Mica

The Balsam micais rum color, in part whitish and in part reddish. A good deal is stained, less than five percent of that sold being of No. 1 quality. The proportion of No. 2 inferior mica to No. 2 mica has increased steadily in the last seven months, though on the average the No. 2 quality predominates in a 5 to 4 ratio. Much of the stain is due to intergrowth of tiny biotite flakes. Iron hydroxide stain also occurs and inclusions of garnet are plentiful. Ruling is fairly common but not excessive.

Mica books are abundant in the pegmatite, in places constituting about half of the rock. They range in size from about an inch to more than a foot across. They appear to be somewhat more common near the pegmatite borders than in the middle, but are distributed throughout with random orientations.

Outlook and recommendations

The outlook for continued mica production at the Balsam mine is good. The pegmatites have been mined downward some 300 feet without giving any indication of lensing out. Conditions at the bottom seem to be essentially the same as those encountered at higher levels.

In addition, at most levels the pegmatite could be mined in both directions along its strike, since mica shows in the remaining thinner pegmatites along the shaft sides. Conditions are favorable for doing this by overhand stoping when deeper mining is no longer profitable. Costs should be lower as waste rock could then be left in the mine.

Both hanging wall and footwall should be thoroughly tested by long boreholes at all levels. The possibility of finding other mica-bearing pegmatites lying near those mined is good. One such pegmatite, recently discovered while putting in a stull, seems to provide considerable reserves.

Mining conditions

The mining conditions at the Balsam mine are fair. The equipment seems to work well and to be adequate. Hoisting is slow and inefficient because of the depth and nature of the shaft. The muck bucket is dragged up along the sloping northeast corner of the shaft. It occasionally catches and loses part of its load; when lowered it slides and tumbles down the shaft. The rate of wear is high. It is doubtful if this situation could be improved economically.

The walls are well scaled down and seem perfectly safe. Most of the ladders are strong and secure.

Labor turn-over is a serious problem. Because of the remote situation of the mine, the men live at the mine in a cabin five days of the week. Lack of comfort and recreational opportunities makes this unpleasant. Furthermore, the mine is unusually cold, as well as damp, so that the men frequently catch cold. The consequent difficulty in keeping a crew makes for sporadic and inefficient operation. An effort by the operators to make the conditions attractive would doubtless more than pay for itself.

60)

NOV 13 1952

Mr. [illegible], Manager
Balsam Mica Miners
Spruce Pine, North Carolina

Subject: Docket No. [illegible]-2753 - Mica
Balsam Mine, Balsam Mica Miners
Yancey County, North Carolina

Dear Mr. [illegible]:

Enclosed [illegible] on the subject application for exploration assistance at the Balsam Mine in Yancey County, North Carolina.

Your application is being referred to Mr. Robert [illegible], [illegible], of the Field Team, Region VII, [illegible] Building, Knoxville, Tennessee, for further information.

Sincerely yours,

C. O. Mittendorf

Administrator

[illegible] 11/12/52
Copy to: Adm. R. File
Operating Committee (2)
Field Team, Region VII (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-252 [illegible] Bldg.
Mr. Houk

600
NOV 13 1952

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

Subject: Docket No. DMEA-2733 - Mica
Balsam Mica Mines
Spruce Pine, North Carolina

Dear Mr. Laurence:

Reference is made to the subject application for exploration assistance at the Balsam Mine, Yancey County, North Carolina.

This mine has a good production record and according to a report by J. M. Parker III, 1944, exploration may result in the discovery of additional mica. Parker also considers exploration for additional pegmatite bodies worthwhile. Memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Please submit a review and recommendation for the subject application. An on site examination should be made if you consider it worthwhile. The applicant has suggested a modest exploration program but is apparently willing to do as much work as the Government may recommend.

If exploration is justified, the usual information should be included in the report. The property description for the Balsam Mine as stated in the lease is inadequate.

Sincerely yours,

Frank E. Johnson

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

E. L. McKnight

Member, Geological Survey

S&Feitler:gad 11/12/52
Copy to: Adm. R. File
Operating Committee (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 2

P.S. The property description should be expanded to make "center of said mine" a definite point tied to some recognizable feature.

C O P Y

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

November 4, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2733 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Balsam Mica Miners, Spruce Pine, North Carolina.
Name of property: Balsam Mine.
Location of property:

Approximately 5 miles southeast of Burnsville, and approximately 4½ miles southwest of Micaville, North Carolina, Yancey County.

Estimated cost of project: $5,675.
Summary of applicant's proposal:

Extend the present 300-foot shaft about 50 feet and drive two drifts in opposite directions for a distance of 30 feet each.

Sources of information on applicant's property:

1) Unpublished report and map of the Balsam Mica Mine, Yancey County, North Carolina, by John M. Parker, III, Aug. 16, 1944.

2) Colonial Mica Corporation card files on the Balsam Mine.

3) Physical characteristics of commercial sheet muscovite in the Southeastern United States by R. H. Jahns and F. W. Lancaster, U. S. G. S. Prof. Paper 225, pp. 50, 87, 1950

Comments:

1) Colonial Mica Corporation purchased $57,359.27 worth of strategic mica from the Balsam mine.

2) According to Parker's map and report, the two pegmatites at the Balsam mine have been mined downward some 300 feet without giving any indication of lensing out. According to Parker the possibility of finding other mica-bearing pegmatites near those mined was considered good; the pegmatite exposed in 1944 at most levels could be mined in both directions along its strike, since mica showed in the remaining thinner pegmatites along the sides of the shaft.

RECOMMENDATION:

Refer to field team.

/s/ R. E. Van Alstine

R. E. Van Alstine

C O P Y

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

October 29, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2733, Mica, Balsam Mine, Yancey County, North Carolina

The Geological Survey (Professional Paper 225, p. 50) tested 717 pieces of mica to be 100 percent of E-1 capacitor quality and color was classified as cinnamon brown, generally acceptable as ruby mica. Bureau of Mines records show $3,371 worth of mica purchased by Colonial Mica from May to September, 1944, and 553.5 pounds of full trimmed mica valued at $4,010 in 1945. On the basis of past operations and the applicant's description of present exposures, a field team investigation is recommended.

/s/ W. F. Dietrich

W. F. Dietrich

Form MF-103
(Revised June 1951)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 9 1952

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

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

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

Not To Be Filled in by Applicant

Docket No. DMA 2933
Metal or Mineral
Date Received 10-9-52
Amount $
Participation (Government %)

Name and address of applicant

Balsam Mica Miners, a partnership
c/o Lewie Aldridge, Manager
Spruce Pine, North Carolina

Date October 6, 1952

If you have already filed MF-100, give date filed ~~herewith~~, type of assistance requested exploration,

DMA Docket Number (if available)

INSTRUCTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

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

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

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

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

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

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

CERTIFICATION

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

Balsam Mica Miners
(Name of company)

By C B Collins
(Signature of authorized official)

October 6, 1952
(Date)

Attorney
~~Manager~~
(Title)

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

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

MF 103 Defense Minerals Exploration Administration

Balsam Mica Miners, a partnership
c/o Lewie Aldridge, Manager
Spruce Pine, North Carolina

1. (a). Legal description is set forth in the lease attached as Exhibit A.

(b). Copy of lease is attached as Exhibit A.

(c). (1) The area that is the subject of this exploration project is limited to that area which is inscribed by a circle 800 feet in radius commencing at the center of the abandoned shaft of the Balsam Mine.

(2) The landlords will not give an Owner's Consent to Lien; however, the applicant will give such security as may otherwise be necessary to obtain governmental exploration assistance.

2. (a). This exploration is expected to reveal the presence of strategic grade mica. During World War II, this mine produced a large quantity of strategic grade mica. The sales to Colonial Mica Corporation exceeded $65,000. It was in production at the cessation of the Colonial purchase program, and at that time the quality of the mica extracted from this mine was of very high quality.

(b). A copy of a map prepared by the U. S. Geological Survey is attached to the original copy of this application, which shows that this pegmatite contained mica rich pockets at several levels and that an inference is indicated that this grouping of mica rich concentrations extend deeper into the pegmatite.

This abandoned mine was previously worked by the lowering of a slanting shaft (approximately 30 degree angle) through the mica rich concentrate down the dike. Pockets or "rolls" of exceptionally rich concentrations were found at several levels as the shaft was lowered. And since the dike is generally not wider than 20 feet in the prior workings, the richness and quality of the mica which has been extracted can readily be appreciated, in that the sales to Colonial Mica Corporation usually exceeded Three Thousand ($3,000) Dollars per month.

The applicant expects this exploration project to reveal the presence of strategic mica at two locations. One by the extenuation of the present abandoned 300 ft. shaft, with the good geological probability of contacting a mica "pocket" or "roll" within a distance of fifty feet. And the second is by driving two drifts of 30 feet each in opposite directions at the lowest level reached by the shaft continuation. It is common for several pegmatites to be grouped in this area. If another mich rich vein can be contacted at this 350 foot level, it would be possible to mine that second vein very economically in that it could be mined by undercutting.

3. (a). It is proposed to dewater the abandoned 300 foot shaft, then lower a 5x7 shaft on the same dip for a distance of 50 feet. When that depth is attained, it is proposed to drive two drifts in opposite directions for a distance of 30 feet each.

Balsam Mica Miners, a partnership
c/o Lewis Aldridge, Manager
Spruce Pine, North Carolina

(b). It is anticipated that it will take five weeks to lower the shaft, and four weeks to drive the drifts, or a total of nine weeks.

The costs for the proposed project are:

LABOR	1 week	9 weeks	
2 muckers at $60 ea.	120	1,080	
1 hoist operator	75	605	
SUPERVISOR at $2 per hr.	80	720	
		2,405	
EQUIPMENT			
Rental			
1 double drum hoist	50	450	
1 105 cu. ft. air compressor	50	450	
1 jackhammer	15	135	
1 7½ h.p. gas water pump	25	225	
		1,260	
Purchase			
350 ft. 2" pipe at 60 cents		210	
350 ft. 1" pipe at 40 cents		140	
50 ft. air hose		60	
50 ft. water hose		50	
Drill steel & bits		350	
Dynamite & caps		250	
2 Wheelbarrows at 35		70	
Carbide & lamps		150	
Safety boots & helmets		75	
Timbering (for bucket guide)		140	
Gasoline & oil		360	
		1,810	
TOOL SHED		200	
			$ 5,675

COST DATA

```
        $ 630.55 per week
9 weeks/ 5675.0
         54
          27
          27
            50
            450
             50
```

Balsam Mica Miners, a partnership
c/o Lewie Aldridge, Manager
Spruce Pine, North Carolina

Shaft

5 weeks

$ 630.55
5
$3152.75

$ 63.05 per ft.
50 feet/$3152.75
300
152
150
275
250
25

Drifts

4 weeks

$ 630.55
4
$2522.20

$ 42.04 per ft.
60 feet/$2522.20
240
122
120
220

YARDAGE

5x7 -- 35
50
27/1750 64.8 cu. yds.

$ 48.65 per cu. yd.
648/31527.00
2592
5607
5184
4230
3888
3520

5x7 -- 35
60
27/1900 70.5 cu. yds.

$ 35.77 per cu. yd.
705/25222.00
2115
4072
3525
5470
4935
535

4. See map attached to original copy.

5. None.

6. Tool Shed $200

7. Equipment

(a) Rented

1 double drum hoist	450
1 105 cu. ft. air compressor	450
1 jackhammer	135
1 7½ hp gas water pump	225
	1,260

Balsam Mica Miners, a partnership
c/o Lewis Aldridge, Manager
Spruce Pine, North Carolina

(b) Purchased

350 ft. 2" pipe at 60 ¢	210
350 ft. 1" pipe at 40 ¢	140
50 ft. air hose	60
50 ft. water hose	50
Drill steel & bits	350
Dynamite & caps	250
2 Wheelbarrows at $35	70
Carbide & lamps	105
Safety boots & helmets	75
Timbering (for bucket guide)	140
Gasoline & oil	360
	1,810

(c) None.

8. Labor

2 muckers at $60 ea. per wk.	1,080
1 Hoist operator at $75	605
1 Supervisor at $2 per hr. (40 hr. wk.)	720
	2,405

9. Supplies are included in 7 above.

10. (a) 10%

(b) Yes.

11. (a) The persons comprising the partnership, Balsam Mica Miners, are:

Lewis Aldridge, Spruce Pine, North Carolina
John Phillips, Spruce Pine, North Carolina
Sam L. Phillips, Spruce Pine, North Carolina
Phillip Ray, Bakersville, North Carolina

all of whom are well known to the DMEA from recent exploration history.

(b) The Balsam Mine is located approximately 5 miles southeast of Burnsville, and approximately 4½ miles southwest of Micaville, N. C., in Yancey County. The area is the very heart of the better color strategic mica mines of the Spruce Pine Mica District. The area immediately surrounding this mine, as well as this mine, is well known for its past high production of good quality strategic grade muscovite.

Since the area abounds in pegmatites, if the mining engineers processing this application, or the field team appraising its worthiness and super-

Balsam Mica Miners, a partnership
c/o Lewis Aldridge, Manager
Spruce Pine, North Carolina

sing the progress of the project, either were to suggest that horizontal small cores be extracted at high levels in the shaft, the applicant would gladly cooperate. At the small additional cost for obtaining small core borings, at the below surface depth of this shaft, it would appear to be an economical exploration.

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

THIS LEASE made this the 16th day of August, 1952, by Alice S. Byrd; Mrs. Pansy Ray; J. Frank Ray and wife, Ruby Ray; Mrs. J. A. Higgins; and Nu-Wray, Inc., parties of the first part, to Phillip Ray of Yancey County, North Carolina, hereinafter called party of the second part.

W I T N E S S E T H:

THAT FOR AND IN CONSIDERATION of the sum of $1.00 in hand paid by the party of the second part to the parties of the first part, receipt of which is hereby acknowledged, and the further consideration of the agreements to be paid as hereinafter set out, the parties of the first part have bargained and leased, and by these presents do bargain and lease unto the party of the second part, his successors or assigns, the exclusive rights and privileges of mining and removing minerals from and upon those tracts of land on the Ray Boundary on Bolens Creek and known as Balsam and Silvers Mines and described as follows:

> The Balsam Mine herein described is meant to include the distance of 800 feet in every direction from the center of said mine.
>
> The Silvers Mine is meant to include 100 feet extending in the direction of the S. W. Presnell Mine and 800 feet extending in all other directions from the center of the mine.

And there is hereby granted the rights of ingress, egress and regress to, from and over said property, together with the right to construct and maintain roads, tramways, chutes, and such other methods and means of transportation as may be necessary; and to construct and maintain thereon such machinery and equipment as may be necessary for the mining and removing of said minerals during the life of this Lease or any renewal thereof.

It is understood and agreed that the life of this Lease shall be for a period of five (5) years from this date with the privilege of renewal for an additional five (5) years, providing that the terms and conditions of said Lease are fully complied with.

In granting rights of way over said property it is understood that the rights herein granted are not exclusive and that such roads as may be

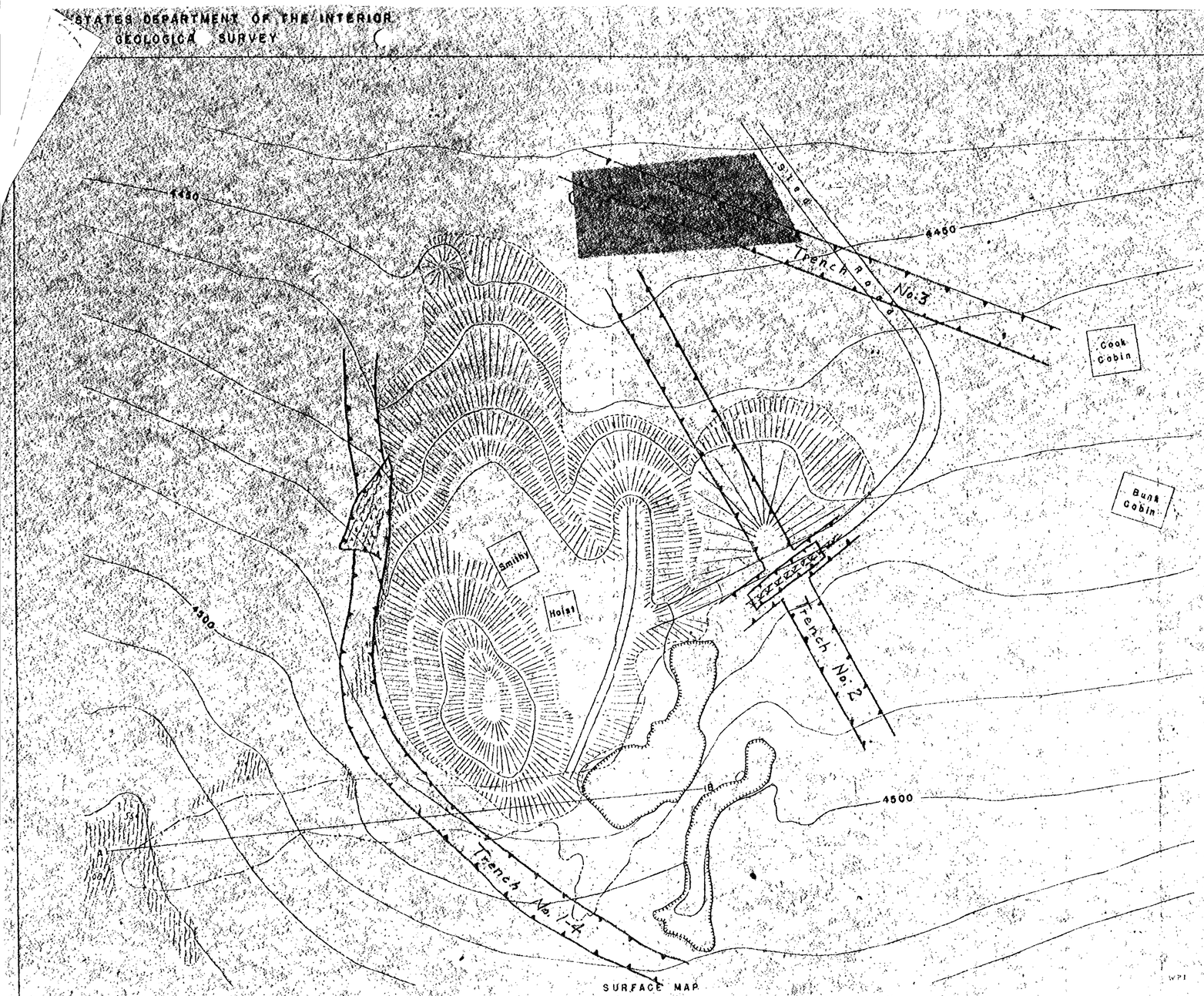
upon said property, or hereafter constructed, may be used in carrying on operations on other parts of said property but the use of the same is not to interfere with the rights of the parties to this instrument.

The party of the second part shall pay to the parties of the first part as royalty fifty cents per ton for all Feldspar and 1/8 of the sales price of all Mica mined and sold from said property; for all other minerals mined and sold from said property there shall be paid the usual and customary royalty prevailing in Yancey County, North Carolina. Duplicate deposit slips, sales tickets, and weight tickets shall be furnished to the parties of the first part showing each and every sale, the quantity and grades of all minerals, weights, and the price received therefor. All royalties are due and payable on the 1st and the 15th of each month for the minerals mined and sold during the two weeks period immediately preceding said dates, and the failure to pay royalties within ten days from the time same is due shall cause this Lease to be null and void at the option of the parties of the first part.

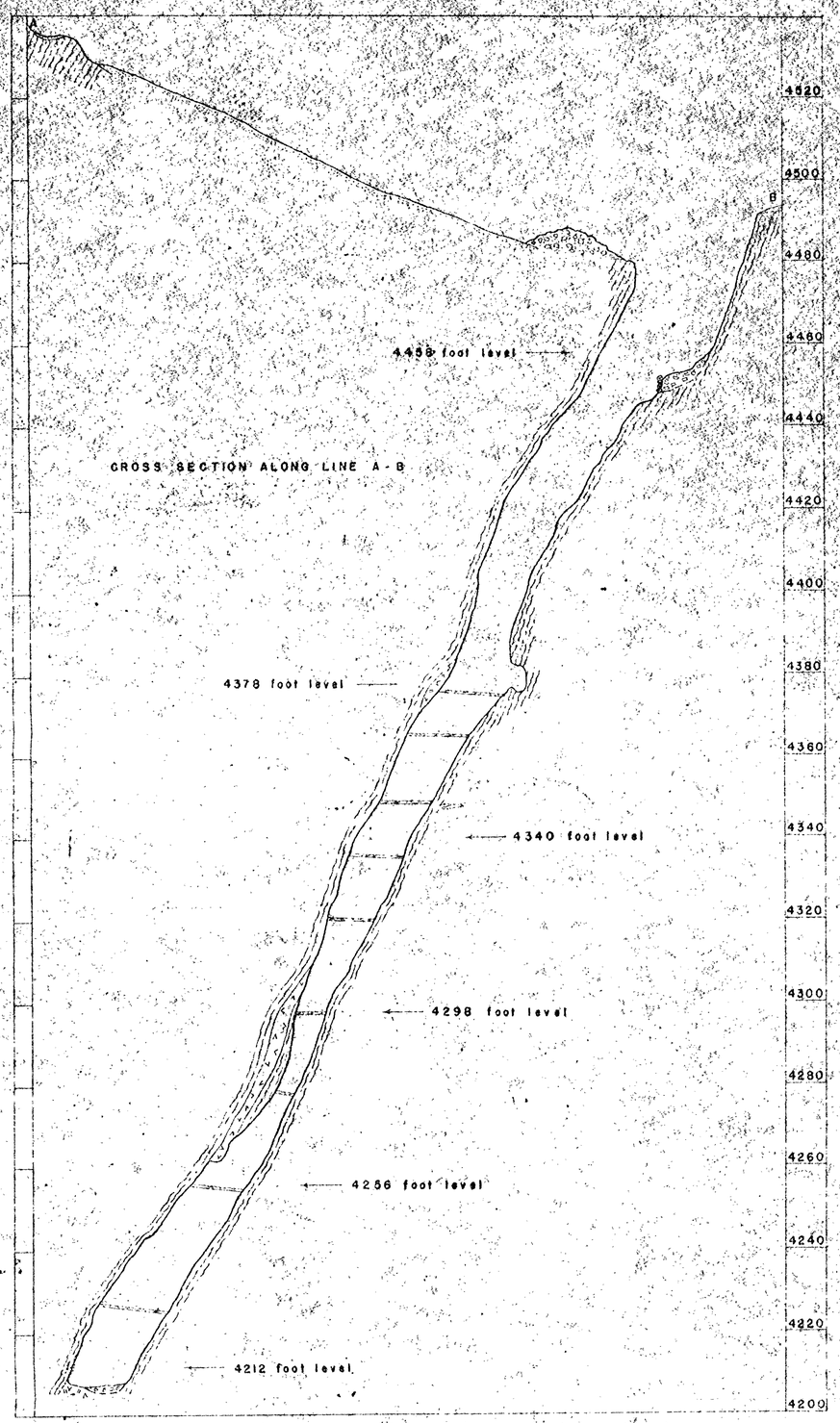
It is understood and agreed that said mines shall be operated in good faith, keeping the same in reasonably good working condition and that upon the surrender of this Lease said mines shall be left in reasonably clean condition. The mines shall be worked with reasonable regularity and pperations shall not cease for a period of more than thirty days unless the party of the second part is prevented from operating the same by conditions ordinarily termed Acts of God, or by strikes or other conditions beyond the control of the part of the second part. The party of the second part shall have the use of the timber, not of commercial value, which may be necessary in carrying on mining operations. Any violation of the terms of this Lease by the party of the second part shall render the same null and void.

It is understood and agreed that the Lessee, his successor or assign, shall have ninety (90) days from the time of the delivery of this Lease within which to sparttoperations.

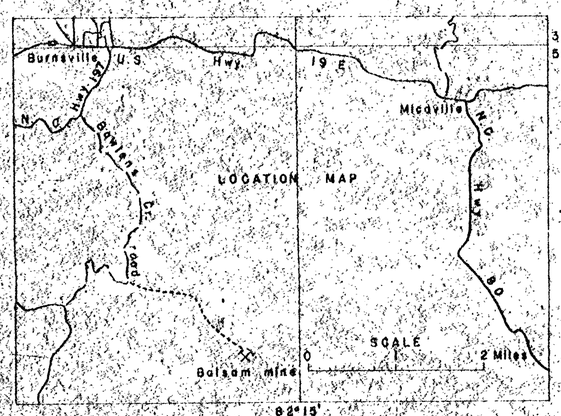
IN TESTIMONY WHEREOF, the parties of the first part and the party of the second part have hereunto set their hands and seals in duplicate the day and year first above written.



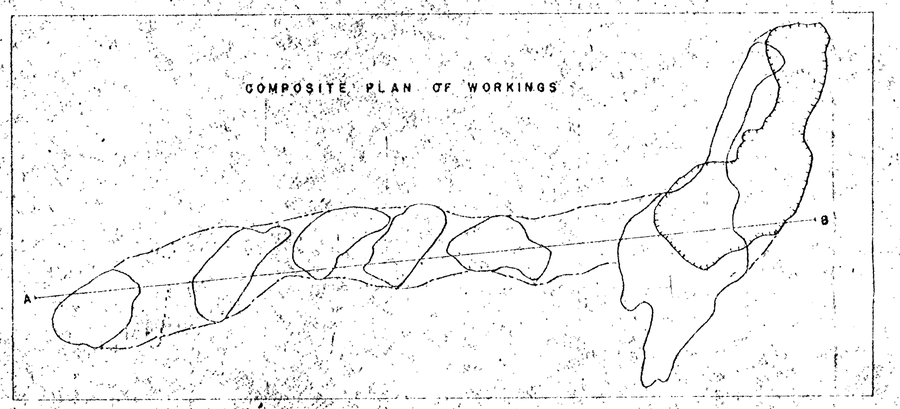
SURFACE MAP



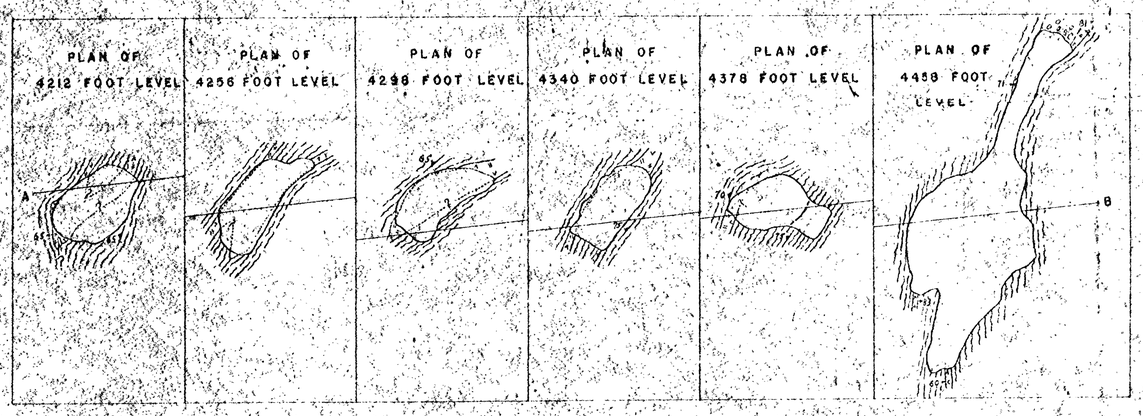
CROSS SECTION ALONG LINE A-B



LOCATION MAP



COMPOSITE PLAN OF WORKINGS



Prepared in cooperation with the North Carolina Department of Conservation and Development

Mapped by J. M. Parker, III, L. Goldinwalt, J. R. Wolfe Jr., and E. Ellingwood III
August 4 and 10, 1944

EXPLANATION

- Muck
- Soil
- Medium-grained, plagioclase-quartz pegmatite
- Gneiss with injected pegmatitic material
- Mica gneiss
- Sheet mica zone
- Scrap mica zone
- Strike and dip of foliation
- Contact, location accurate, showing dip
- Contact, location approximate
- Limit of outcrop
- Edge of open cut
- Outlines of underground workings at mapped levels
- Outlines of underground workings at intermediate levels
- Outlines of underground workings projected on surface map
- Dump

SCALE

20 0 20 40 60 80 100 Feet

Contour interval 10 feet. Datum assumed

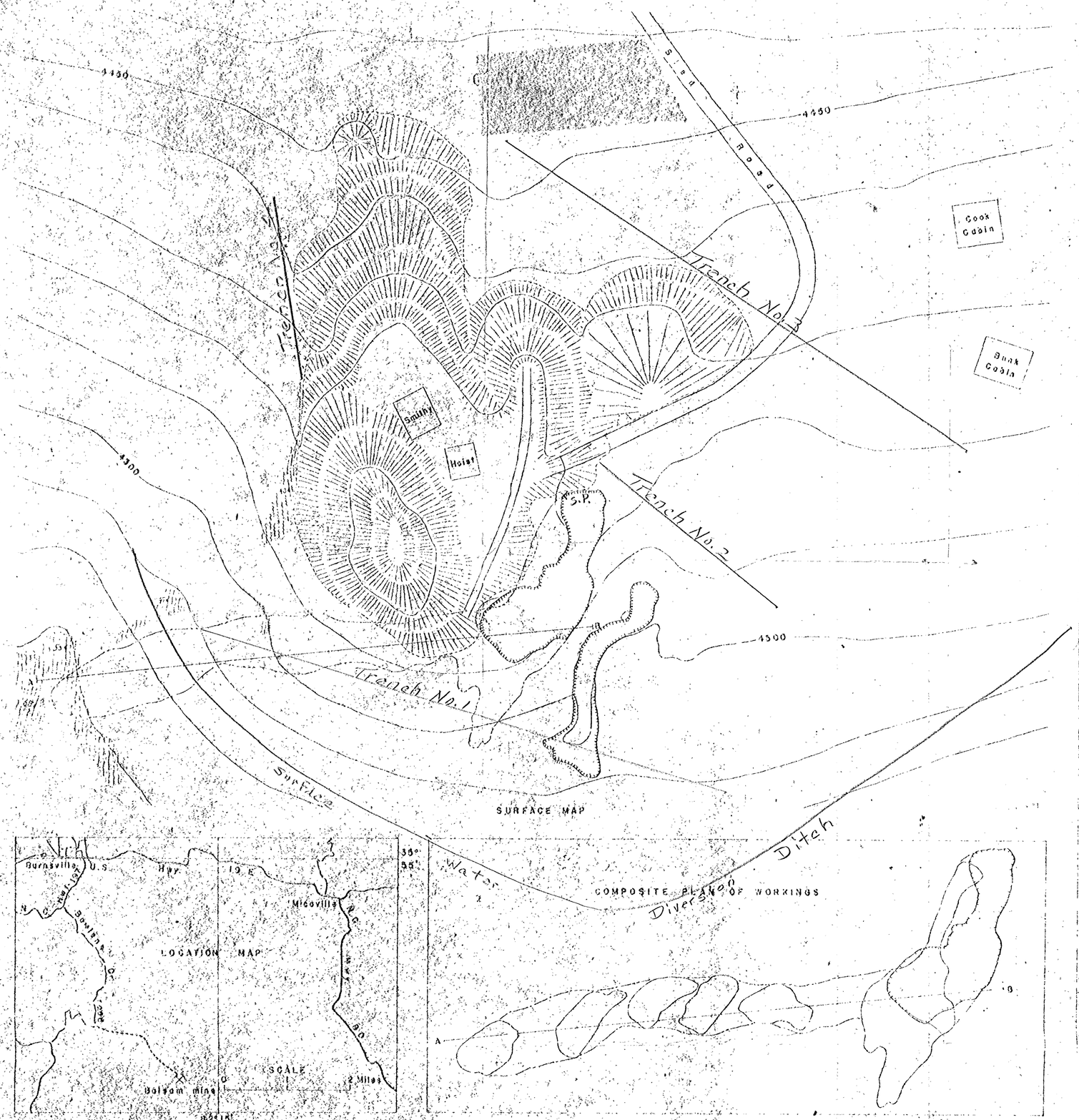
Magnetic north
True north

DMEP-2733

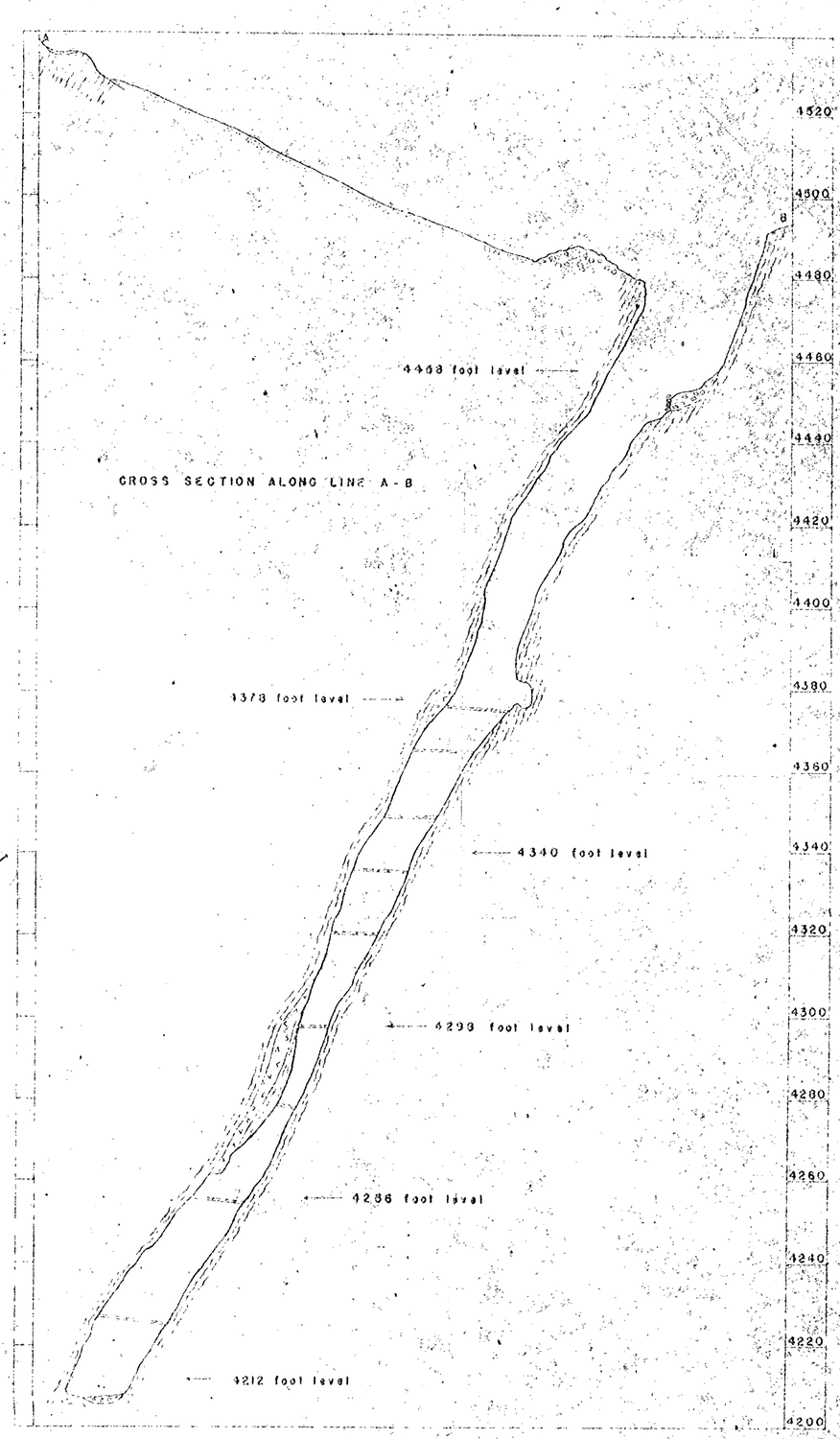
BALSAM MICA MINE, YANCEY COUNTY, NORTH CAROLINA

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



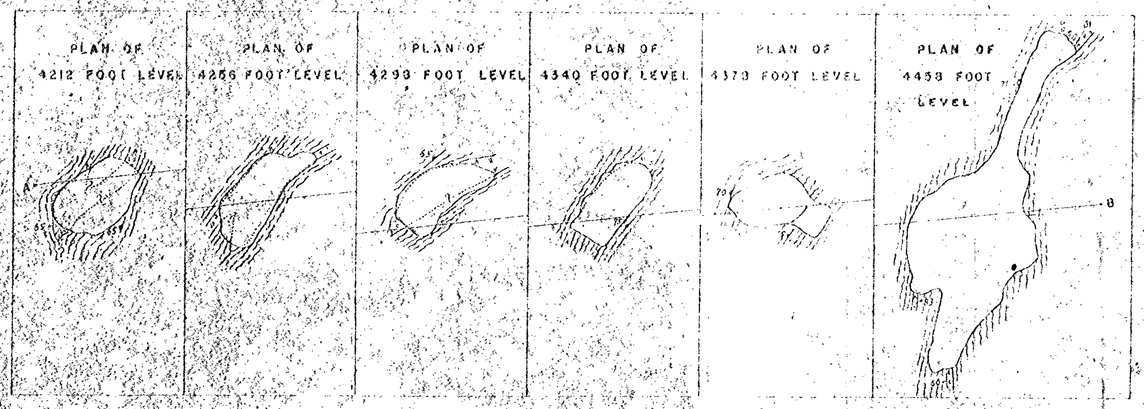
SURFACE MAP



CROSS SECTION ALONG LINE A-B

LOCATION MAP

COMPOSITE PLANS OF WORKINGS



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SCALE

20 0 20 40 60 80 100 Feet

Contour interval 10 feet. Datum assumed.

Magnetic north
True north

Prepared in cooperation with the North Carolina Department of Conservation and Development

Mapped by J. M. Parker III, L. Goldthwait, J. H. Watts Jr. and J. E. Ellingwood, III, August 4 and 10, 1944.

DME D-2233

BALSAM MICA MINE, YANCEY COUNTY, NORTH CAROLINA

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GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP

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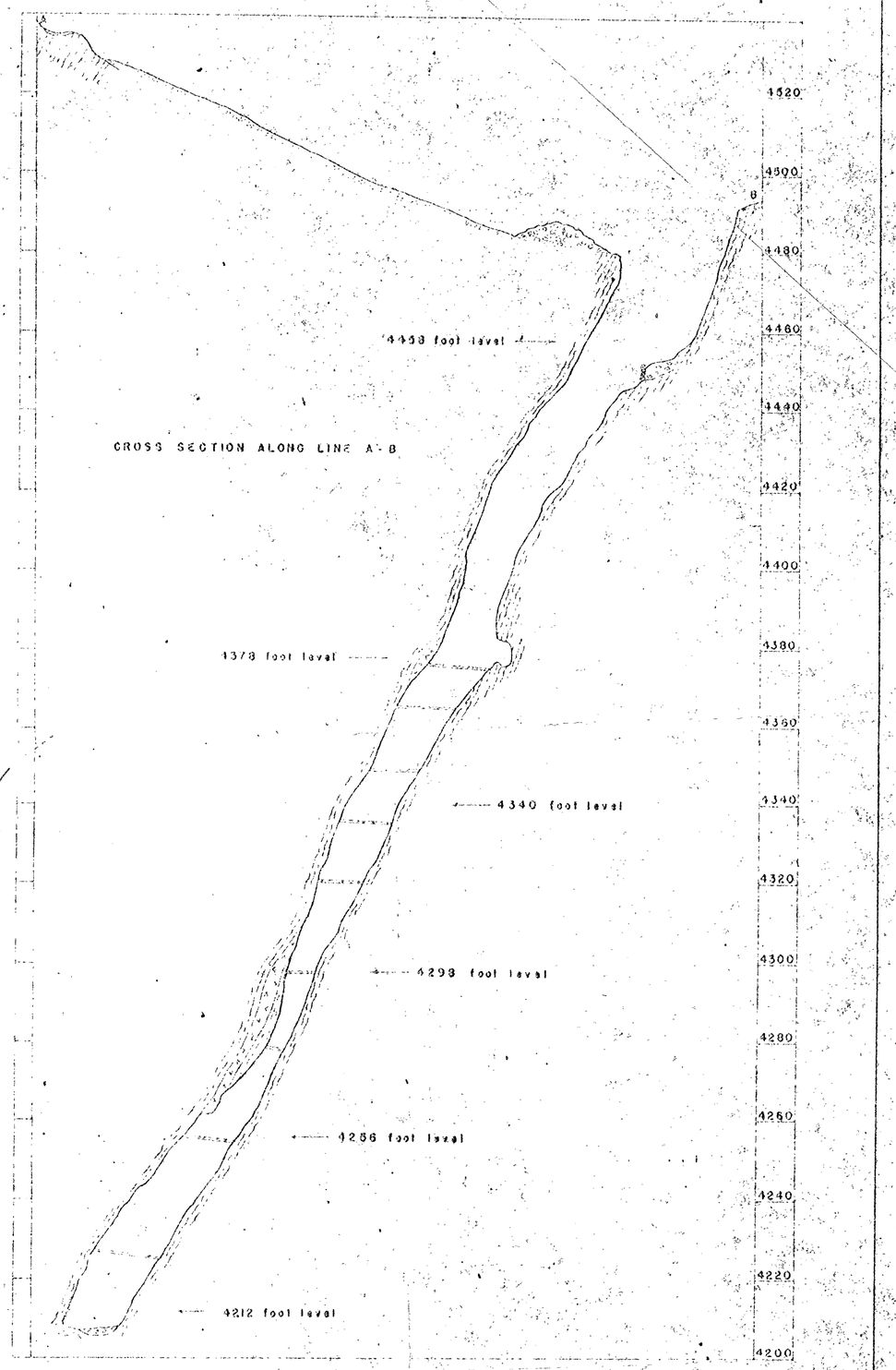
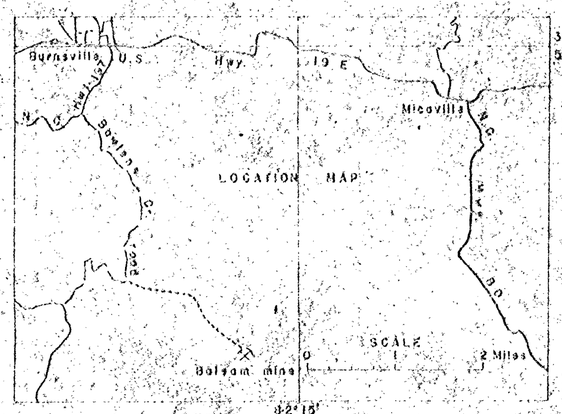
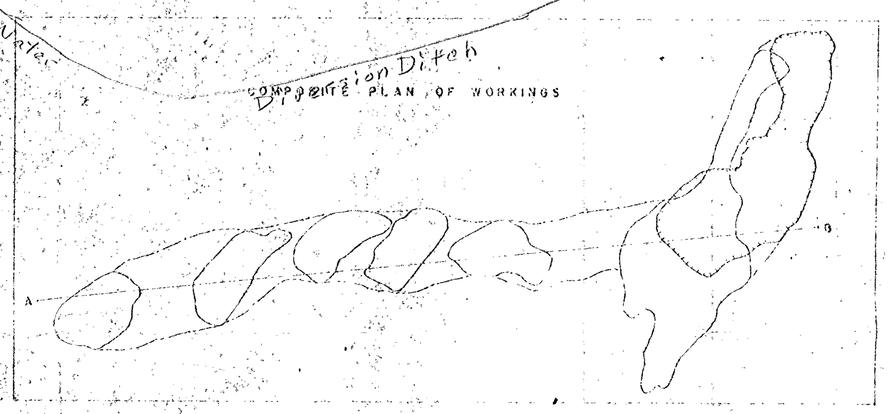


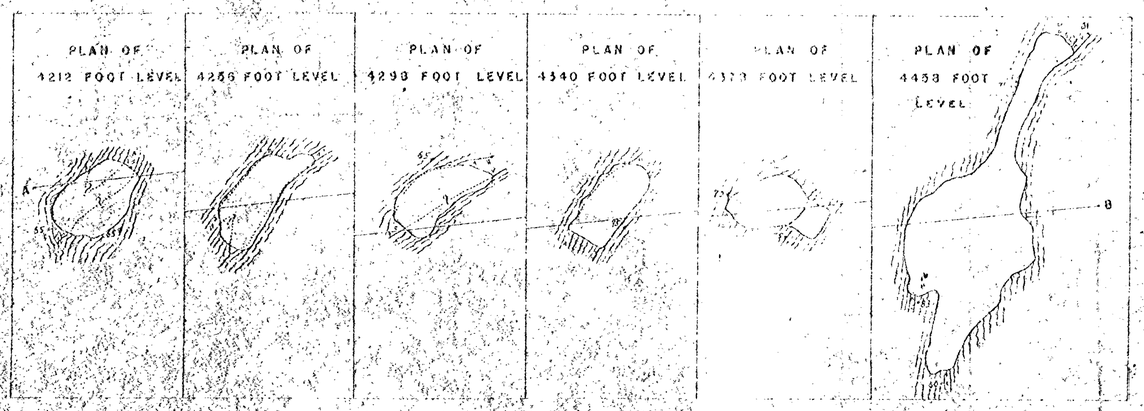
CROSS SECTION ALONG LINE A-B



LOCATION MAP



COMPOSITE PLAN OF WORKINGS



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SCALE

20 0 20 40 60 80 100 Feet

Contour interval 10 feet. Datum assumed

True North
Magnetic North

Prepared in cooperation with the North Carolina Department of Conservation and Development

Mapped by J.M.Parker III, L.Goldthwait, J.R.Watts Jr. and E.Ellingwood III August 4 and 10, 1944.

D.H.E.D.-2733

BALSAM MICA MINE, YANCEY COUNTY, NORTH CAROLINA