☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12-9-54
Incl. Voucher for August 1954

☐ Actual Cost

☑ Agreed Unit Costs

Name Forest City Mining Co

Docket No. 2725

State: North Carolina

Commodity: Mica

Idm-E No. 480

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	90	3150.00			
Raising					
Shafts	80	4000.00	46	2,300.00	2,300.00
Winzes					
Drilling (Specify)					
Surface Excavation		200.00		89.00	89.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		7350.00		2389.00	2389.00

Prepared by [illegible]

71626

A

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Forest City Mining Company
Box 165
Forest City, North Carolina

pertaining to Exploration Project Contract No. Idn-8480, Docket No. DMEA-2725, including Amendment No. 1, for the months of February, 1953, to August, 1953, inclusive, covering a project for the exploration of mica in Cleveland County, North Carolina, on property known as the Old Mauney Mine.

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, verification of work performed by reference to final field team report, and a determination of the reasonableness and propriety of the costs.

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

the contract provides 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		$2,389.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$2,389.00

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 Two thousand one hundred fifty and 10/100 Dollars,

$2,150.10

is considered valid and proper in view of the termination of the contract under the provisions thereof, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

April 6, 1954

E. D. Talbert, Auditor

Division copy

NOTICE OF TERMINATION

To: Forest City Mining Company
Box 165
Forest City, North Carolina

Operator under Exploration
Project Contract Ida-2A80,
Docket No. DMEA-2725,
dated January 27, 1953.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract, under the terms thereof (which preserves the Government's rights with respect to a percentage royalty), on the following ground:

> In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that you have not performed any work since August 1953, that all mining equipment has been removed from the property which is the subject of the exploration project, and the time for completion of the work, November 27, 1953, has passed.

The Government will make no contribution to the agreed unit costs of work performed after the date of receipt by you of this notice.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

Dated this 1st day of March, 1954.

THE UNITED STATES OF AMERICA

By C P Mittenbergs
Administrator, Defense Minerals
Exploration Administration

Robin Hoffburg
Hoth
Chandler

Division Copy

AMENDMENT NO. I

Contract Idm-E480, DMEA-2725 (mica) dated 27th day of January 1953, between the UNITED STATES OF AMERICA, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and Goerge Morrow, hereinafter called "Operator," is amended as follows:

Article 3 is amended to provide that the Operator is to complete the project within a period of ten (10) months from the date of the contract, instead of six months (6) as provided in the original contract.

This amendment is necessary because of an accident at the mine work was temporarily suspended. Work is to begin as soon as Workmen's Compensation can be obtained.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

July 6, 1953

FOREST CITY MINING COMPANY

By Ira M Vance

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA Field Team
Region 7

mm

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2725

COMMODITY Strategic Mica

Division Copy

IDM-E 480

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1953

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 27th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Box 165 Moss and George Morrow
Forest City, North Carolina

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as ~~[illegible]~~ set forth in Annex I

the Operator represents and undertakes:[4]

(*a*) ~~[illegible]~~

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

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

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

in or upon the described land; and shall bring the project to completion within a period of six months (6) from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90% percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of 6,615.00, which is 90 percent of $7,350.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Forest City Mining Company
(Operator)

By Ira Vance

By O. Mittendorf
Administrator, Defense Minerals Exploration Administration

Approved
Hefferman
Mark Talbot

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
FOREST CITY MINING COMPANY
DOCKET NO. DMEA-2725

ANNEX I

Beginning in the center of the present old mine workings known as the "Old Mauney Mine" (which is 100 feet east of Brushy Creek, 4.1 airline miles east of Shelby, Cleveland County, North Carolina, on a course north 37 degrees west) and running with a radius of approximately 250 feet. This property is said to contain two acres and is a part of the lands known as the Rachel Poston Weathers tract (in #6 township, four miles north of Shelby on Highway #26, and situated on the waters of Brushy Creek, one mile west of the Rachel Weathers home site) described in Deed Book 000 at page 495, dated May 27, 1924, in the office of the Register of Deeds, Cleveland County, North Carolina.

EXPLORATION PROJECT CONTRACT
FOREST CITY MINING COMPANY
DOCKET NO. DMEA-2725

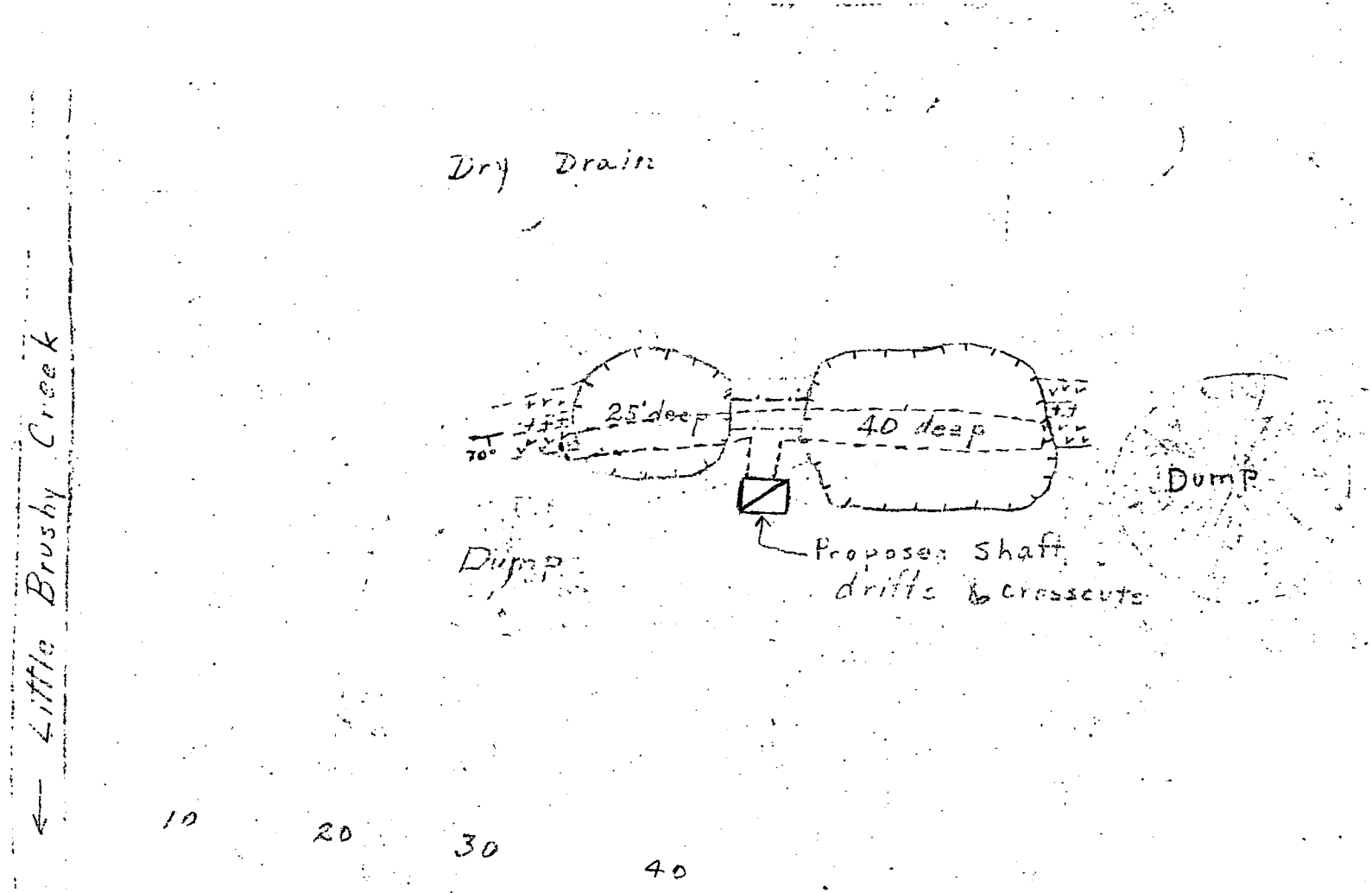
EXHIBIT "A"

Description of the Work

At the approximate location marked "proposed shaft, drifts and crosscuts" on the sketch entitled "Sketch of Old Mauney Mine, Cleveland Co., N. C., DMEA-2725," attached hereto and made a part hereof, prepare a shaft site by bulldozing and sink a two-compartment vertical shaft, 5' x 7' in the clear to a depth of 80 feet below its collar. At a depth of 75 feet below the shaft collar drive a 5' x 7' crosscut and/or drift a total length of 90 feet from the shaft.

AGREED ESTIMATED COSTS

Bulldozing shaft site - 20 hrs. @ $10.00/hr.	$ 200.00	
Shaft sinking - 80 ft. @ $50.00/ft.	4,000.00	
Drifting and/or crosscutting - 90 ft. @ $35.00/ft.	3,150.00	
Total Agreed Estimated Costs		$7,350.00
Government Participation @ 90%		$6,615.00



Sketch of
Old Mauney Mine
Cleveland Co., N.C.

0 20 40
Scale

DMEA-2725

COPY

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Cleveland, described as follows:1/ Being a part of the lands known as the Rachel Poston Weathers tract in #6 Township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek, 1 mile west of the Rachel Weathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

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

2/ J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and George Morrow, Partners, trading and doing business as Forest City Mining Company

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 8th day of October, 1952.

/S/ S. S. Mauney [Seal]

/S/ Rachel Mauney [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

Project Summary Report

By: Walter C. Anderson April 16, 1954

1. DMEA Docket No. 2725 - Mica
   Contract No. Idm-X480
   Old Mauney Mine
   Cleveland County, North Carolina

   Operator: Forest City Mining Company
   Box 165
   Forest City, North Carolina

   Operator's property rights:
   Lease for 3 years - dated September 15, 1952.
   Owner's Consent to Lien - dated October 8, 1952.

2. Contract - dated January 27, 1953.

   Work authorized:

Bulldozing shaft site - 20 hrs. @ $10.00/hr.	$ 200.00
Shaft sinking 80 ft. @ $50.00/ft.	4,000.00
Drifting and/or crosscutting 90 ft. @ $35.00/ft.	3,150.00
Total authorized cost	$7,350.00
Government participation @ 90%	$6,615.00

   Amendments - No. 1 7/6/53 - Extends completion date from 6 months to 10 months.

   Work completed:

Bulldozing shaft site	$ 89.00
46 ft. of shaft @ $50.00/ft.	2,300.00
Total project cost	$2,389.00
Government participation @ 90%	$2,150.10

   Contract work started February 16, 1953, and was terminated for cause on March 1, 1954, before completion.

3. Audit - Report of Review, dated April 6, 1954.

Total accepted cost	$2,389.00
Government participation	$2,150.10

4. Certification of Discovery - none issued.

5. Comments:

How conducted -
1. Low efficiency.
2. Operator exhibited no interest, worked only when they pleased and when convenient. Abandoned project when shaft was only about half completed.

Operation -
1. Bad
2. During time when work was subcontracted, a workman was killed because of carelessness.

Engineering - bad, reports were very inadequate.

Geological premises - whether right or wrong cannot be determined since target was not reached.

Geological criteria on which work was based:
1. Well zoned pegmatite 15 ft. thick, worked along the strike for 50 ft.
2. $2,800 worth of good quality mica sold during World War II.

Criteria developed during project - none.

Future possibilities - resumption of work by responsible operator is possible, as bottom of shaft is in good condition.

Recommendations:

DMEA - 1. Obviously no certification of discovery.
2. None of the partners in the company should be considered for another contract.
3. Consideration be given to responsible operator, should one apply for a project.

Bureau of Mines
No certification of discovery.

Geological Survey
Concurs.

WCAnderson:gad 4/16/54
Copy to: Admr. R. File
Mr. Houk

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

OCT 12 1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared..." No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say "...we evidently misunderstood the language (of the termination notices), for we assumed that the Government was preserving the right to repayment for work already done..." Payment by whom?

If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: "...we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. Ordinarily DMEA treats further operations by a new operator as an entirely new project without liability for past operations which did not result in a certification of discovery or development. However, in some cases where the second operator would derive unusual benefit from the Government's contribution under the original contract he may be required to assume liability for such contribution if certification is made.

IV

With respect to an operator who has abandoned the property you say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous except where the Government terminates the contract. Under the provisions of the contract the operator can be relieved from the royalty obligations only by "...complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract..." If the Government terminates it waives all claim for damages on account of the abandonment.

V

You say: "It is not clear to us why one type of action was taken for these two contracts (Robert Baker and Forest City), and entirely different actions taken in terminating (the other contracts)..." The method of terminating contracts must depend upon the facts in each

case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

LGHouk/JLHofflund/
LGHouk:gad 10/6/54

Copy to: Admr. R. File
Operating Committee
Docket - 4
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk - 4
Mr. Hofflund - 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 17, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-2646, Idm-E444 (mica) Robt. Baker, Zimmman Mine
DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Old Mauney Mine

Reference is made to a memorandum dated August 20 from the Executive Officer, Region VII, to the Operating Committee which Mr. Houk has submitted to this office on a routing slip dated August 25, received here September 2, asking us to prepare an answer. The memorandum from the Administrative Officer asks why in terminating certain contracts the Government's royalty rights are preserved in one case and not in another.

This office does not and cannot determine when royalty rights are to be preserved in connection with the termination of contracts. The answer should be prepared in the Commodity Division, and this office will review it if that seems desirable.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

JLHofflund:bbh 9-17-54

Copy to: Mr. Houk
DMEA Docket
Solicitor's Docket
Chron.

600 [illegible] 1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mounsey Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

The termination agreement merely preserves the right to certify. It does not provide for repayment without certification. In this connection see DMEA Circular 33 and the alternative provisions 5 and 5' in form "Termination Agreement" attached to that circular. As we now know that these projects will not be certified because no discovery or development was made, there is no obligation on the part of anyone to repay the Government.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

LGHouk:LGHouk:gad 8/16/54
Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

C
O
P
Y

July 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2646, Idm-E 444 (mica) Robert Baker (Zinniman Mine) Mitchell County, N. C. and
DMEA-2725, IdmE 480 (mica) Forest City Mining Company (Old Mauney Mine) Cleveland County, N. C.

Reference is made to the Notice of Termination on the subject contracts. In these terminations it is stated that "All rights of the Government with respect to Certification of discovery or development, percentage royalty, and lien for payment as provided in the contract, are preserved." We would like clarification on this statement. As no certification of discovery or development has been made, and none can be made as no ore was discovered, is the Government still entitled to a royalty on production should another Operator take over the property and produce mica?

Robert A. Laurence

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

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures - Total approved $7,350.00
Total cost 2,389.00
Government's share 2,150.10
Value None
4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

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

Defense Minerals Administration
RECEIVED
APR 8 1954

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures

Total approved	$7,350.00
Total cost	2,389.00
Government's share	2,150.10
Value	None

4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

IN REPLY REFER TO:

G-MD-GNM

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

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Manney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:
Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/30/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

IN REPLY REFER TO:

G-MD-CMM

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

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Mauney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:

Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:

Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/30/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

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

Defense Minerals Administration
8 1954

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures

Total approved	$7,350.00
Total cost	2,389.00
Government's share	2,150.10
Value	None

4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON 25, D. C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

March 24, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Final Report, DMEA-2725, Idm-E 480 (mica) Old Mauney Mine. Forest City Mining Company, Forest City, N. C.

Enclosed are 4 copies of the final report on the subject exploration contract which was terminated on March 1 because of Operator's failure to fulfill the contract.

Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered.

/s/ Robert A. Laurence
Executive Officer
DMEA Region VII

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

Reviewed by
DMEA OPERATING COMMITTEE
3-31-54
(date)

A

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4/1

REFERRED TO:

1. 600
2.
3.
4.

FOR:

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

REMARKS: No closing letter
Project Summary

Check (X) before the items needing attention.

HUBERT ...

Initials of sender.

GPO 16—63815-1

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 26 1954

FINAL REPORT BY FIELD TEAM, REGION VII

On

DMEA-2725, OLD MAUNEY MINE (mica)
Cleveland County, North Carolina

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

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

Dewey H. Amos, Geologist
U. S. Geological Survey

March 18, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-31-54
(date)

Bureau Mines Mineral Resources
RECEIVED
MAR 26 1954

FINAL REPORT

ON

DMEA-2725, Idm-E 480 (mica)

OLD MAUNEY MINE

Operator: Forest City Mining Company, Box 165, Forest City, North Carolina

The Old Mauney mica mine is on the east side of Little Brushy Creek 4.1 airline miles and 5.5 miles by road N. 37° W. of Shelby, Cleveland County, North Carolina.

The target towards which this project was directed was not reached. The operator abandoned the project after the shaft was sunk to a depth of 46 feet. Should another operator file for exploration assistance on this mine, work could be resumed in the 46-foot shaft as it is in good condition.

This project began February 16, 1953 and was terminated for cause on March 1, 1954. Work accomplished under the contract consisted of preparing a shaft site ($89), and sinking a timbered, 2-compartment, 5' x 7' shaft to a depth of 46 feet. At this point the project was abandoned; the operators used as the excuse for abandining - a heavy flow of water and raveling of shaft back of the cribbing. Neither excuse is valid.

The shaft is located about 15feet south of the outcrop of an east-west trending pegmatite. The dip is steep and to the south. The shaft is entirely in mica gneiss and schist, the bottom 15 feet of which required shooting.

Expenditures:

(a)	Total approved	$7,350.00
(b)	Total cost of project	2,389.00
(c)	Government's share of cost	2,150.10
(d)	Government's share unexpended	4,464.90
(e)	Value of production during project	None

Work was conducted on this project only during those times when it was convenient to the operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration.

March 18, 1954.

K. H. Teague and W. H. Amos, Geologists
U. S. Geological Survey

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

IN REPLY REFER TO:

G-MD-CRM

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

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Mauney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:
Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/30/54
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.

March 15, 1954

Memorandum

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

From: DMEA Field Team, Region VII

Subject: DMEA-2725, Idm-E 480 (mica) Forest City Mining Co.
Old Mauney Mine, Cleveland County, N. C.

The Operator was sent on this date a Notice of Termination of subject exploration contract.

The Field Examiners inspected the shaft while it was unwatered on March 10, 1954. There is about one foot of silt in the bottom of the shaft that has raveled from back of the timbers, otherwise, the shaft is in very good shape. Timber extends within two feet of the bottom and at only one place, about 6 feet from the bottom, was raveling back of the timber. At this place, a two-foot caved zone occurs back of the southeast corner of the shaft. It is the examiners opinion that, with a competent mining crew, little difficulty would be encountered in completing this project. The shaft is now at 45 feet and makes considerable water.

The Field Examiners are of the opinion that the Operator has permanently abandoned the project and that further effort to encourage him to work the mine would be wasted. Furthermore, Mr. Ira Vance, who is the only competent miner in the Forest City Mining Co., is physically unable to continue supervising the project. Therefore, the examiners and the Field Team agree to termination.

Wm. A. Beck, Acting
Executive Officer, DMEA
Region VII

Benjamin Gildersleeve, Geologist
U. S. Geological Survey

BHT/sm
cc:
Beck
Lynch
Opr. Com.
Files

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

March 25, 1954

Memorandum

To: The Administrator

Through: 1. L. G. Houk
2. F. E. Johnson

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-5444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-5480, Forest City Mining Company

These two contracts were the subject of a memorandum from the Chief Counsel to the Administrator, dated February 16 which contains this paragraph:

> Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose."

The notices of termination attached to the memorandum were executed by the Administrator under date of March 1, and presumably have been delivered to the Operators. These notices contain the statement that the Government ". . . hereby terminates the subject contract, <u>under the terms thereof</u> . . ." The notices themselves do not contain any demand for repayment of money, nor was any demand for repayment made contemporaneously with the notices.

NOTE: Copy of this memo sent Region VII 3/29/54.

It is my opinion, as indicated in the memorandum of February 16, that notice of termination under the provisions of the contract, should not be given if the Government considers the case a proper one for the recovery of money contributed. If a demand for the repayment of money is made, it is made only because the Government deems that it has a legal right to repayment, and if not thereafter paid, it would have to be referred to the General Accounting Office for collection.

Once a termination of the contract has been made under the provisions of the contract, without at the same time demanding repayment of money contributed, it is my opinion that any right that may have existed to demand and collect repayment is at least seriously jeopardized, and may provide the Operator with a good defense to any subsequent demand for repayment.

In a proper case for requiring repayment of money contributed, notice of termination should not be given under the provisions of the contract, but notice of rescission should be given for breach of the contract coupled with a demand for the repayment of money contributed.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund/emd

Copy to: Docket (2)
L. G. Houk(2)
F. E. Johnson
J. L. Hofflund
chron.

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.

March 4, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Field Team, Reg. VII

Subject: DMEA-2725, Idm-E 480 (mica). Forest City Mining Company
Old Mauney Mine, Cleveland Co., N. C.

Your letter of March 2 and Notice of Termination for the subject exploration contract have been received.

We have an appointment with the Operator for our field examiners to inspect the Old Mauney Mine on March 10. At that time a decision as to what may be done at this mine will be made. Therefore, the termination notice will be held in this office at least until we receive the examiners' report.

/s/
Robert A. Laurence

MAR 2 1954

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

Subject: Docket No. DMSA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E4SC

Dear Mr. Laurence:

Please find herewith the original and two copies of a Notice of Termination of subject exploration contract which have been signed by the Government.

If this Notice of Termination meets with your approval kindly make the proper distribution of copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

Enclosures 3

WCAnderson:gad 2/25/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Divn. Copy

C
O
P
Y

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

January 21, 1954

Mr. George R. Morrow
P. O. Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E480 (mica)
Forest City Mining Company
Old Mauney Mine

Dear Mr. Morrow:

Mr. Teague and Mr. Shirley expect to be in Cleveland County about February 10, and would like to make the examination of the Old Mauney Mine which was postponed in November because of Mr. Vance's illness. Will you please advise me whether Mr. Vance or another representative of the company will be able to meet them at that time? If so, it will be necessary to have the shaft pumped out, so that it can be examined.

Very truly yours,

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

January 18, 1954

Memorandum

To: Chief Counsel

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Transmitted herewith is the official docket and our Division file for your reference in reviewing the status of the subject contract.

You will note the Field Team reports that it appears this project has been abandoned. Hoist, air compressor, pumps and camp equipment have been moved from the mine site. The contract is less than one-half completed and no work has been done since about August 15, 1953, although the exploration contract, as amended July 6, 1953, calls for completion by November 27, 1953.

The Operator apparently has ignored the requests and warnings in two letters by Region VII Field Team, dated November 17 and 24, 1953. Please note that the Field Team reminded the Operator that there is no present reason to believe the objectives of this work are not as good now as they were when the contract was signed, and warned the Operator that unless work was resumed, the contract would have to be considered in default.

It is our desire to take definite action at this time to end this inactivity. We are, therefore, referring the matter to your office for determination of the proper course of action.

W. C. Anderson
Nonmetallic Minerals Division
WCAnderson:gad 1/18/54

Attachments 2

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

Mr. Carlson

INTERIM REPORT

MEA-2725 Idm-E480 (mica) OLD MASONRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No progress can be reported on this contract. No attempt has been made by the operator to resume operations and the same conditions exist as reported in the last Interim Report.

Mr. Robert A. Laurence, Executive Officer of MEA, Region VII, accompanied the Field Examiners on this visit to the mine.

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

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

December 2, 1953

Mr. Anderson

13

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
NOV 27 1953

November 24, 1953

Mr. George R. Morrow
Box 165
Forest City, N. C.

Re: DMEA-2725, Idm-E480 Old Mauney Mine
Forest City Mining Co. (mica)

Dear Mr. Morrow:

I have your letter of November 20, concerning work at the Old Mauney Mine under the subject exploration contract.

In order to properly determine whether this work may be completed or whether conditions are too hazardous to do so, it will be necessary for our Field Examiners to inspect the bottom of the shaft, which they have not been able to do because of water in the shaft. Accordingly, Mr. Teague and Mr. Shirley will be at the mine at approximately 10:00 a.m. on Wednesday December 2. Please have the water pumped out of the shaft at that time. The decision on whether to continue or terminate will be delayed until after that inspection.

Very truly yours,

Robert A. Laurence

RAL/zm
cc:
Peck
Lynch
Opr. Com.
Files

mds

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1953

EXECUTIVE OFFICER
DMEA REGION VII

November 17, 1953

Mr. Ira Vance
Forest City Mining Company
Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E 480 (Mica)
Old Mauney Mine

Dear Mr. Vance:

According to our records, no work has been done at the Old Mauney mine since about August 15, although the exploration contract as amended July 6, 1953, calls for completion of the exploratory work by November 27, 1953.

I am now advised that you have moved all equipment from the mine and are planning to give up the lease. I wish to call to your attention that the exploration contract is a firm contract under which you are to sink an 80-foot shaft and drive 90 feet of drift and/or crosscut. There is no present reason to believe that the objectives of this work are not as good now as they were when the contract was signed.

Therefore, unless work is resumed, we will have to consider this contract in default. In that case, the Government may insist upon repayment of all money paid to you under this contract.

In order to extend the time needed for completion of this contract, it will be necessary to prepare another amendment. Please advise me how soon you can resume work and how much time you think you will need to complete the work, so that the amendment may be prepared and forwarded for your signature.

Very truly yours,

Robert A. Lawrence
Executive Officer
DMEA Field Team, Region VII

RAL/mg
cc - Operating Committee
Beck
Lynch

cc - Ira Vance, Pineola, N.C.

MDs

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1953

INTERIM REPORT

IMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 6.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

It appears that this project has been abandoned. Hoist, air compressor, pumps and camp equipment have been moved from the mine site. The hoisting frame has been lowered, but is still at the mine. Conversation with the wife of the landowner divulged that equipment was moved on October 29, 1953 and that the operator was giving up the lease.

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

November 4, 1953

Anderson

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]-2725 [illegible]-5480 (mica) ([illegible])

OWNER: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Crucby Creek, 4.1 air-line miles and 5.5 miles by road N 57° E of Shelby, Cleveland County, North Carolina.

Shaft sinking is still at a standstill on this contract. This visit to the mine found the mine idle and no work has been accomplished since about August 15, 1953. The operator was not contacted and it is not known when sinking will resume.

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

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

October 6, 1953

Mr Anderson

6 ov

MONTHLY REPORT

NWA-2725 Idn-2480 (mica) OLD SHELBY MINE

OWNER: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.0 miles by road N 37° E of Shelby, Cleveland County, North Carolina.

Shaft sinking is again at a standstill on this project. A note attached to the railing around the shaft stated that the crew was harvesting tobacco and would return to the mine in the early future. The shaft depth is now at 45 feet and contained 23 feet of water. A solid partition has been installed and cribbing completed to at least 18 feet, as suggested at last visit.

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

E. M. Sengue, Geologist
U. S. Geological Survey

September 9, 1953

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 August, 1953 Docket No. DMEA 2720 Contract No. 2LME480
Operator's Name Forest City Mining Company, Box # 165 Minerals Mica
Address Forest City, N. C.
Contract Amount, $ 7,250.00 Government Participation: 90 % Amount, $ 200.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		89.00	89.00			
Crosscutting						
Drifting						
Shaft	200.00	2100.00	2300.00			
(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	200.00	2189.00	3 rec ~~2189.00~~	200.00	2 89	2389.00

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 8-3-53 *Payee Forest City Mining Co.
Per [signature] 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:
$ 180.00
Signature Cora A. Pipes (Authorized Certifying Officer)
Date SEP 11 1953 Vou. No. 74
(See other side)

4

20.00

(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-E480 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 7, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurency Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 10 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 104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2725 Contract No. 1DME480

Operator's Name Forest City Mining Company, Box # 165 Minerals Mica

Address Forest City, 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	46	200.00	4	2300.00	46	50	80	50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				89				200.00
TOTAL DISTRIBUTED COSTS		200.00	4	2389.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		200.00	4	2389.00				

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 Aug 3, 53 Operator Forest City Mining Co.

Per [signature] 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

OPERATOR'S MONTHLY REPORT OF PROGRESS AND WORK ACCOMPLISHED

AUGUST 1953

August 3. Moved machinery to mine.

August 4. Set up machinery & began pumping water.

August 5. Started to repare cribbing & passage ways.

August 6. Repaired cribbing.

August 7. Repaired cribbing.

August 10. Repaired cribbing & passage way.

August 17. Pumped water & Mucked for a total of 1 Foot.

August 18. Pumped water & Mucked for a total of 1 foot.

August 19. Pumped water & Mucked for a total of 1 foot.

August 20. Pumped water & Mucked for a total of 1 foot.

August 21. Cribbed the shaft

September 2, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Contract No. Idm-E480

The purpose of this amendment is to extend the completion date from June 27 to November27, 1953, because of the suspension of work at the mine due to an accident.

The Nonmetallic Minerals Division concurs in the amendment as written and executed by the Executive Officer, DMEA Field Team, Region VII.

Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 9/2/53

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

[illegible]

[illegible]-2726 [illegible]- [illegible] (Mica) [illegible]

Contractor: Forest City Mining Company, Box 155, Forest City, N. C.

Location: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.[illegible] miles by road N. 27° W. of [illegible], Cleveland County, North Carolina.

Work resumed on this contract August 10, 1963 and resulting time has been used in getting set up for operations. No additional sinking has been accomplished to date and water was being pumped by an air sump upon arrival at the mine. The new miners on the job were instructed not to use a gasoline pump in the shaft at any time. Several safety recommendations concerning timbering and equipment on hand were made on this visit, and the men appeared cooperative. Sinking is expected to begin within the week.

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

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

August 12, 1963

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
RECEIVED
AUG 12 1953

Inspection Report

DMA-2725 Idm-1480 (Mica) [illegible] BY MINE

OPERATOR: Forest City Mining Company, Box 155, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 3.1 air-line miles and 5.5 miles by road N. 37° W. of Shelby, Cleveland County, North Carolina.

No additional work has been accomplished on this contract since May 16, 1953. A gasoline pump has been removed recently from the mine site and its removal was the only evidence that anybody had been to the mine since the above date except the field examiners consistent visits each two weeks.

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

F. M. Teague, Geologist
U. S. Geological Survey

July 29, 1953

MONTHLY REPORT

[illegible]-2725 [illegible]-460 (mica) [illegible]

OPERATOR: Forest City Mining Company, Box 186, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.6 miles by road N 37° E of Shelby, Cleveland County, North Carolina.

Shaft sinking is at a standstill on this project; no work has been accomplished since May 19, 1952. The mine has been visited at two-week intervals, since the above date, by the field examiners. It is reported that operations will resume just as soon as insurance can be obtained by the company.

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

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

July 16, 1952

Fatalities

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

Room 1, Post Office Building
Knoxville, Tennessee

June 23, 1953

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Accident Report on DMEA-2725, Idm-E480 (mica) Old Mauney Mine, Forest City Mining Company, Operator. N. C.

On May 13, 1953 a miner was killed at the subject mine. This mine was visited by the field examiners on April 22, May 5, and 20th, and on June 2 and 17, 1953, and was not in operation during any of these visits.

On June 17, 1953 following the visit to the mine, K. H. Teague, and L. E. Shirley, Field Examiners for Defense Minerals Exploration Administration, interviewed Haywood Allen, sheriff of Cleveland County, North Carolina, and J. Ollie Harris, coroner of Cleveland County, N. C. Both were present at the mine shortly after the accident. Also Fred Scoggins, who was present at the time of the accident was interviewed. Opinions and facts supplied by the above individuals are as follows:

Haywood Allen: Arrived at mine a few minutes after the body had been removed from shaft. There was no evidence of foul play. Stated that at time of arrival, there was no sign of life in body of deceased - Harold Dean Burgess. Artifical respiration was applied to deceased, but was unsuccessful. Allen stated that a gasoline power pump was in place between 5 and 10 feet from bottom of shaft (depth of shaft on May 20, 1953 as taped by Teague-42 feet, but Scoggins states that at time of accident shaft was 49 feet deep -Teague). Allen also stated that the exhaust line extended to the surface, but the line was broken a few inches from the motor manifold, allowing exhaust fumes to escape in the shaft. One of the men (Mr. Poston) who helped remove the victim's body was almost overcome by fumes while in the shaft.

J. Ollie Harris: Arrived at mine approximately 30 minutes after accident happened (copy of Mr. Harris' report is attached). Harris' observations are similar to Allen's. He observed the broken exhaust line and the location of the gasoline powered pump in the shaft. Although it is not

recorded in the attached report, Mr. Harris reports that the victim had a severe bruise on the back of his head, probably caused when he fell from the ladderway into the shaft. Also, he stated that the body had a distinctively reddish color, suggesting the presence of carbon monoxide.

Fred Scoggins: Two men were at the mine at the time of the accident, Scoggins and the Victim. Mr. Scoggins stated that he and the victim had both been working in the shaft and that he (Scoggins) felt faint, and climbed the ladder to the surface. His observation was that he could not get his breath. He stated that he sat down to rest and as he did not hear the victim making any noise in the shaft, went to the shaft collar to find out what was wrong. Scoggins stated that when he looked down in the shaft the victim was standing on the bottom landing of the ladderway, leaning with his head on his hands against the wall. When Scoggins asked what was the trouble, Burgess stated that he felt like he was going to faint. Scoggins told Burgess to get in the muck bucket and he would hoist him to the surface. When Burgess tried to get in the bucket he fell. (Fall was probably less than 10 feet). Scoggins climbed down the ladderway, tied a line around Burgess and to hoist cable, came up the ladderway and tried to hoist Burgess from the shaft. Scoggins thinks that the line slipped before the victim was lifted off the bottom of the shaft. Scoggins then drove to a nearby residence (about 1/4 mile) secured assistance, returned and removed the body from the shaft. He is not sure as to the total time that the body remained in the shaft, but thinks that it was between 15 and 25 minutes. Scoggins states that they hit a pocket of gas which caused all of the trouble. (This is also the opinion expressed by Ira Vance, Forest City Mining Co.). Scoggins stated that there was approximately two feet of water in the shaft at the time of the accident.

Summary: The Field Examiners have visited this project seven times since it began on February 15, 1953. During the visit on February 24, the examiners pointed out to Mr. Ira Vance the necessity of following certain safety requirements. Points especially discussed were the use of gasoline pumps in shafts and the need for lagging between the hoist and manways. These points were re-emphasized during a visit to the project March 26, 1953. Since that time the project has been inactive during all our visits.

There seems to be little doubt as to the cause of the accident. Apparently the victim became unconscious from exhaust fumes and drowned before he could be removed from the shaft. The accident could have been prevented had the Operator followed the Field Examiners recommendations. Therefore, it appears that the responsibility for the accident rests entirely with the Operator. Operator is being notified that he is expected to resume operations and complete the contract, but that the safety recommendations must be complied with.

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

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

Dated June23, 1953
RAL/zm

Copy of report filed in Clerk of Superior Courts office, Shelby, N.C.

State of North Carolina,
County of Cleveland.

Be it remembered that on the 13th day of May 1953

I, J. Ollie Harris, Coroner of Cleveland County, did hold an investigation over the dead body of Harold Dean Burgess whose death occurred in Number 6 Township, Cleveland County. After investigating the facts and circumstances of the death of the deceased and from a view of the corpse, and a consideration of the circumstances and available evidence, finds as follows:

That the deceased came to his death from Drowning. Became overcome with monoxide poisoning. Fainted + fell in water. No evidence of foul play. (Happened in Mica Mine on S. S. Mauney farm above Dover Mill, Shelby.

J. Ollie Harris
Coroner For Cleveland County.

[illegible]

[illegible]-2723 [illegible]-420 (a-1ua) [illegible]

[illegible] Forest City Mining Company, Box 1[illegible], Forest City, N. C.

[illegible] Along the eastern side of [illegible] Creek, 4.1 air-line miles and [illegible] miles by road [illegible] of [illegible], Cleveland County, North Carolina.

No additional work has been accomplished on this job since the last interim report of June 2, 1[illegible]. The shaft is filled with water and measurement indicates no progress. The field examiners were again unable to contact the operator.

A fatal mine accident was reported as occurring on May 13, 1953. The field examiners contacted the contractor, Fred [illegible], the sheriff of Cleveland County, [illegible] of Cherokee County, [illegible] during the visit to this area. A detailed report on this accident is being prepared and will be published upon completion by the Knoxville Office.

[illegible] Chief, [illegible] Engineer
[illegible] Bureau of Mines

June 17, 1953

R. M. Teague, Geologist
U. S. Geological Survey

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 8 1953

June 4, 1953

Memorandum

To: Mr. L. G. Houk, Chief Non Metallic Minerals Div. DMEA

From: Executive Officer, D M E A - Region 7

Subject: DMEA-2725, Idm-E480, Old Mauney Mine (mica)
Forest City Mining Co., Operator

Enclosed herewith is a copy of the Operator's reply to my letter of May 26 requesting details of a fatal accident at the subject exploration project. Mr. Teague and Mr. Shirley visited the project on June 2, and we will have a more complete report when they return to the office Monday, provided they had better luck in finding someone around the job than they have had on the three previous visits. Messrs. Teague and Shirley were instructed to insist upon suspension of work at the project until hazardous conditions were eliminated.

Robert A. Laurence

Robert A. Laurence

C O P Y
(sic) zm

8

Mr. Ira Vance
Forest City Mining Company
Pineola, North Carolina
June 1, 1953

United States Department of The Interior
Room 13
Post Office Building
Knoxville 2, Tennessee

Re: DMEA-2725, Idm-E480
Old Mauney Mine (Mica)

Dear Mr. Laurence

In reply to your letter of May 26, inquiring as to the accident at the above mine, we wish to state that the work was being done under a contract with Mr. Fred Scoggins, an independent contractor of Avondale, North Carolina.

From the facts we were able to gather, it appears that he and his companion struct some kind of gas in the mine, which overcame Mr. Burgess. Mr. Burgess slipped through a rope while Mr. Scoggins was attempting to get him out. He fell into water approximately two feet deep, where he drowned. The type of gas has not been determined other than the fact it was not carbon monoxide gas.

If you desire any additional information, please advise.

Yours truly

s/ Ira Vance

copied by zm.
cc:
Beck
Lynch
Opr. Com.
Houk
Files

MONTHLY REPORT

MRA-2725 MRA-2480 (mica) (LS) ALLEN MINE

OPERATOR: Forest City Mining Company, Box 166, Forest City, N. C.

LOCATION: Along the eastern side of Middle Brushy Creek, 6.1 air-line miles and 8.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No work has been accomplished on shaft sinking during the past month. The field examiners were unable to contact the operator to line out just when work will resume.

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

R. B. Teague, Geologist
U. S. Geological Survey

June 2, 1953

Noted 6/8/53

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

COPY

Room 13, Post Office Building
Knoxville 2, Tennessee

May 26, 1953

Mr. Ira Vance
Forest City Mining Company
Pineola, North Carolina

Re: DMEA-2725, Idm-E480
Old Mauney Mine (Mica)

Dear Mr. Vance:

According to our records, the exploration project on the Old Mauney Mica Mine, Cleveland County, North Carolina, began on February 15, 1953. At the time our field man last visited the project, the shaft had been sunk to a depth of 42 feet.

Visits were made to the project on April 22, May 5, and May 20, 1953. Only 4.5 feet of shaft was sunk during this interval and no work was in progress during any of the three visits.

At the time of the last visit our field men was informed by the local people that an accident occurred at the mine on May 12, 1953, resulting in the death of a workman. Please provide this office with a complete report of the accident, including the causes and conditions resulting in the accident. If it was due to failure to correct unsafe or hazardous conditions, all work should remain suspended until these conditions are corrected. Please note article 3 of the contract which provides that the work is to be performed "..... in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance ....."

Your early attention to this will be appreciated.

Very truly yours,

/s/
Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII

RAL/mg
cc:
Beck
Lynch
files
Operating Committee
Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII
HAMILTON BANK BUILDING

OFFICE OF
REGIONAL DIRECTOR

POST OFFICE BOX 1909
KNOXVILLE, TENNESSEE

Mr. Freitag

May 21, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 25 1953

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly report and voucher

We are enclosing two copies of the following monthly report and voucher:

Idm-E-480 Forest City Mining Company
Docket No. DMEA-2725
3rd payment - month of April
Amount $315.00

Helen Miller
Helen R. Miller

Enclosure
CC: W. A. Beck
R. A. Laurence

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 AND SCHEDULE
PAYMENTS NOR - 61
166
MAY 2 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 3 195 Docket No. DMEA 2725 Contract No. IDM 2480
Operator's Name Forest City Mining Co. Minerals Mica
Address Box 165, Forest City, North Carolina
Contract Amount, $ Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		89	89			
Bulldozing						
Crosscutting						
Drifting Shaft	350	1750	2100			
(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	350	1839	2189	350.00	1,839.00	2,189.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5-10-53 *Payee Forest City Mining Co.
Per [signature] 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:

$ 315.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date MAY 21 1953 Vou. No. 166
(See other side)

35.00

3

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

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 AND SCHEDULE
PAYMENTS NOR - 61
166

OPERATOR'S MONTHLY REPORT AND VOUCHER

MAY 2 1953

Month of April 3 195 Docket No. DMEA 2725 Contract No. IDM 2480
Operator's Name Forest City Mining Co. Minerals Mica
Address Box 165, Forest City, North Carolina
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		89	89			
Bulldozing						
Crosscutting						
Drifting Shaft	$350	1750	2100			
(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	$350	1839	2189	350.00	1,839.00	2,189.00

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

Date 5-10-53 *Payee Forest City Mining Co.

Per [signature] 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:

$315.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date MAY 21 1953 Vou. No. 166
(See other side)

35.00

(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. DME 480 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Engineer Date 5-18-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. A. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date MAY 2 0 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

OPERATORS
MONTHLY PROGRESS REPORT
For the
Month of April, 1953

DMEA No. 2725 (mica)

Work Accomplished

Pumped water, sunk shaft and mucked for a total of 42 feet with 7 feet advanced for the month. Contractor with 2 Men on daylight shift

Daily Notes

April 6 Pumped out shaft

April 7 Dug shaft

April 8 Cribbed shaft

April 9 pumped & dug shaft

April 13-25 Rained &unable to work

April 28 Pumped shaft cribbed & dug

April 29 Dug shaft

April 30 Dug shaft

Mr Feilden

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

MONTHLY REPORT

DMA-2725 Idm-2490 (mica) OLD RUBY MINE

OPERATOR: Forest City Mining Company, Box 168, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Kholby, Cleveland County, North Carolina.

Shaft sinking continues slowly on this project and is now at 41.5 feet. No work was being done at time of visit and shaft was filled with water. Recent heavy rains in this section of the state has returned ~~the~~ projects and shaft sinking.

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

E. W. Heague, Geologist
U. S. Geological Survey

May 5, 1953

noted
5/18/53

My-Little

[illegible]

[illegible]

[illegible]

[illegible]

OPERATOR: Forest City Mining Company, Box 135, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.6 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking continues at this mine and is now down to 37½ feet. Measurements indicate very little work for this month to date. No one was at the mine and operator could not be contacted. It is anticipated that work will begin again soon.

The mine has begun to make water and 8 feet was measured in the shaft. Both pits nearby contained from 2' to 3' of water, indicating no recent pumping. Dump material observed was principally a hard micaceous schist.

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

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

April 22, 1953

noted
5/11/53

Director's Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

C O P Y

C O P Y

April 10, 1953

Memorandum

To: Mrs. Helen Miller, Administrative Officer
U. S. Bureau of Mines, Knoxville, Tennessee

From: Executive Officer, DMEA, Region VII

Subject: Monthly Reports and Vouchers

Enclosed herewith are three copies each of monthly report and vouchers for the following exploration contracts:

DMEA-2345	Idm-E-303	Bess Gaston Mica Miners
DMEA-2725	Idm-E-480	Forest City Mining Company

Robert A. Laurence
Executive Officer
DMEA, Region VII

Enclosures
RAL/mg
cc
Beck
Lynch
Files
Operating Committee

COPY COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

April 10, 1953

Mr. Ira Vance
Forest City Mining Company
Box 165
Forest City, North Carolina

Re; DMEA-2725, Idm-E-480
Old Mauney Mine (Mica)

Dear Mr. Vance:

Your March voucher and monthly report have been received, and approved for payment. Please note that you failed to carry over totals of $89.00 for bulldozing from the February voucher, so that the "Totals previously reported" should be $1339.00, and "Totals to date" should be $1839.00. Please make these corrections on your copy of both 104 and 104a and carry them in the totals of your future reports.

This does not affect the "Monthly Total" for March, which is approved for payment of 90% of $500, or $450.00.

The items on Form 104A, under the first column, "unit" should be "foot" where you have written "35".

Very truly yours

Robert A. Laurence
Executive Officer
DMEA, Region VII

RAL/mg
cc
Beck
Lynch
Files
Operating Committee

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

Ms. Fitler

Budget Bureau No. 42-R1086.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Defense Minerals Administration
RECEIVED
APR 27 1953
IDM 2480

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March 1953 Docket No. DMEA 3 2725 Contract No. IDM 2480
Operator's Name Forest City Mining Co. Minerals Mica
Address Box 165, Forest City, North Carolina
Contract Amount, $ 7,350 Government Participation: 90 % Amount, $ 500.

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing					89.00	89.00
Crosscutting						
Shaft	500	1250	1750	500.00	1250.00	1750.00
(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	500	1250	1750	500.00	1339.00	1839.00

4-1-53 Forest City Mining Co.

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

Date _____ *Payee Partner

Per _____ Title _____

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

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

(Instructions on reverse)

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

$ 450.00

Signature Chas. A. Piper
(Authorized Certifying Officer)

Date APR 17 1953 Vou. No. 146
(See other side)

2

(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-E480 in accordance with the terms of the contract.

Signature Lawrence C. Shirley Title Mining Engr. U.S.B.M Date April 8, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date APR 10 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.

U. S. GOVERNMENT PRINTING OFFICE 205675

C O Y
mg

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

Room 13, Post Office Building
Knoxville 2, Tennessee

April 10, 1953

Mr. Ira Vance
Forest City Mining Company
Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E-480
Old Mauney Mine (Mica)

Dear Mr. Vance:

Your March voucher and monthly report have been received, and approved for payment. Please note that you failed to carry over totals of $89.00 for bulldozing from the February voucher, so that the "Totals previously reported" should be $1339.00, and "Totals to date" should be $1839.00. Please make these corrections on your copy of both 104 and 104A and carry them in the totals of your future reports.

This does not affect the "Monthly Total" for March, which is approved for payment of 90% of $500, or $450.00.

The items on Form 104A, under the first column, "unit" should be "foot" where you have written "35".

Very truly yours,

Robert A. Laurence
Executive Officer
DMEA, Region VII

RAL/mg
cc
Beck
Lynch
Files
Operating Committee

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 27 1953

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

Month of March 1953 Docket No. DMEA _____ Contract No. IDM E480
Operator's Name Forest City Mining Co Minerals Mica
Address Box 165, Forest City, North Carolina

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft. 35	$500	10	$1750.00	35	$ 50	80 Ft.	$50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$500	10	$1750				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$500		$1750				

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 4-1-53 Operator Forest City Mining Co.

Per [signature] 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

OPERATORS
MONTHLY PROGRESS REPORT
For the
Month of March, 1953

DMEA No. 2725 (mica)

Work Accomplished

Pumped water, sunk shaft and mucked for a total of 35 feet with 10 feet advanced for the month . Three men on daylight shift with foreman.

Daily Notes

March 1-15 Rained and unable to work

March 16 Pumped out shaft

March 17 Dug shaft

March 18 Cribbed Shaft

March 19 Dug shaft

March 20 Pumped water and dug shaf t

March 23 Pumped water, cribbed and dug shaft

March 24 Pumped water, cribbed and dug shaft

March 25 Pumped water, cribbed and dug shaft

March 26 Pumped water, cribbed and dug shaft

March 27 Pumped water, cribbed and dug shaft

March 30 Pumped water, cribbed and dug shaft

March 31 Pumped water, cribbed and dug shaft

Mr. Fitch

INTERIM REPORT

DMA-2725 Idm-M480 (mica) OLD MAUNTY MINE

OPERATOR: Forest City Mining Company, Box 185, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking on this project continues and is now down to 24 feet. Very little work was accomplished during the month because of bad weather and sickness among the employees. The last 10 feet of shaft sinking has been in soft silty material and has been cribbed solid with 2" x 6" sawed timbers. Intermittent pumpage of water from the shaft is necessary while men are working. Two old pits, to the NW and SA of the shaft location, were partially filled with water and it was suggested that these pits be kept dry to prevent seepage into the shaft.

Mr. A. A. Beck, a member of the Field Team, Region VII, accompanied Field Examiners on this visit to the mine.

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

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

March 26, 1953

noted 4/10/53 SF

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 ONE VOUCHER AND SCHEDULE
PAYMENTS NOR - 61
166

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April 1953 Docket No. DMEA 2725 Contract No. IDM 2480
Operator's Name Forest City Mining Co. Minerals Mica
Address Box 165, Forest City, North Carolina
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		89	89			
Bulldozing						
Crosscutting						
Drifting Shaft	$350	1750	2100			
(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	$350	1839	2189	350.00	1,839.00	2,189.00

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

Date 5-10-53 *Payee Forest City Mining Co.

Per [signature] 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:

$315.00

Signature [signature]
(Authorized Certifying Officer)

Date MAY 21 1953 Vou. No. 166
(See other side)

35.00

(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. DME 480 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Engineer Date 5-18-53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. M. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date MAY 2 2 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 April 1953 Docket No. DMEA 2725 Contract No. IDM 6480

Operator's Name Forest City Mining Co. Minerals Mica

Address Box 165, Forest City, North Carolina

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	42	350	7	$2100.00	42	$50.00	80	50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				89.00				200
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$350		$2189.00				

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 5-10-53 Operator Forest City Mining Co.

Per [signature] 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.

U. S. GOVERNMENT PRINTING OFFICE 205676

DMSA No. 2725 (mica)

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of February, 1953

Work accomplished

Set up machinery, bull-dozed road to mine, hired three workmen, set up hoist, started shaft sinking, mucked for a total of 25 feet advanced for the month. Three men on daylight shift, together with foreman.

Daily Notes

February 16.	Moved equipment.
February 17.	Set up equipment.
February 18.	Bull-dozed road and shaft site.
February 19.	Dug shaft and cut timber for cribbing.
February 22.	Dug shaft and began cribbing.
February 23.	Dug shaft and cut timber.
February 24.	Dug shaft and encountered water for first day which required pumping.
February 25.	Pumped water out of shaft and cribbed.
February 26.	Again pumped water, cribbed, and dug shaft.
February 27.	Dug shaft, cribbed, and pumped water.
February 28.	Dug shaft, cribbed, and pumped water.

INTERIM REPORT

DMEA-2725 Idm-2480 (mica) OLD RAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

This project began work on February 16, 1953. Initial work, which consisted of bulldozing for shaft site, has been completed and required less than 10 hours of machine work. Shaft sinking in an acceptable location had begun and was down to 18 feet. Work is supervised by Ira Vance, one of the partners, and is progressing satisfactorily. Some timbering had been accomplished and work on a separate manway will begin in the near future. The shaft was cribbed for about two feet from the surface with round logs. Material encountered in sinking consists principally of a micaceous schist. Water from abandoned open pits northeast and southwest of the present shaft location are being pumped periodically to keep the water down. No water has been encountered to date in shaft sinking. Random recommendations were made concerning pumpage and safety factors. Monthly vouchers and reports were discussed at length with the operator.

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

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

February 25, 1953

noted SF 3/16/53

600

FEB 1 9 1953

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Dear Mr. Thomason:

Reference is made to the subject exploration contract.

Enclosed are your lease and lease assignment which are being returned to you as requested in your letter of December 11, 1952.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 2

SAFeitler:gad 2/17/53

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

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

JAN 27 1953

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

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Lawrence:

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

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

The amount of the Government's contribution has not been inserted in Paragraph 2 of the Owner's Consent to Lien. This may be left blank.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures 6

LGHearne/SAFeitler:fls/1/21/53
LGHouk/pa 1/23/53

Copy to: Admr. Reading File
Docket File
Operating Committee (2)
Mr. Dietrich, 3546
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

Memorandum

JAN 27 1953

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Forest No. [illegible]-2/25 - Mica
Forest City Mining Company
Old Mooney Mine
Cleveland County, North Carolina

10/1/52 Received application dated September [illegible], 1952.
10/13/52 U. S. G. S. [illegible] field examination.
10/25/52 U. S. G. S. [illegible] field examination.
10/17/52 Referred to Field Term, Region VII.
10/2[illegible]/52 [illegible] Field Term and [illegible] contract.
11/1[illegible]/52 Letter to applicant requesting that lease be signed by lessors.
12/1[illegible]/52 U. S. G. S. [illegible] contract.
11/2[illegible]/52 U. S. G. S. [illegible] contract.
12/9/52 Letter notifying applicant that docket will be closed unless requested lease is received by January 16, 1953.
12/22/52 Received signed lease.
1/5/53 Received approved contract from Legal.
1/16/53 Contract with letter of transmittal to Leasing Committee.

SAFeitler:fls 1/19/53

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 24 1952

DEC 17 1952

Mr. Hearne

Mr. J. L. Thomason
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Receipt is acknowledged of your letter of December 11, 1952, and lease on the Mauney Mine.

To validate this lease it must be signed by you and Mr. Ira M. Vance, the lessees, as well as by Mr. and Mrs. Mauney, the lessors.

Please add these signatures on the two lines marked "X" on the enclosed form and mail a copy of it to this office. Also, please advise the book and page number on which the deed covering the leased property is recorded in the Register of Deeds of Cleveland County, as the lease description is not sufficiently detailed for its identification.

Sincerely yours,

Lawrence G. Houk

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure

Book Number On lease

600

DEC 17 1952

Mr. J. L. Thomason
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMMA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Receipt is acknowledged of your letter of December 11, 1952, and lease on the Mauney Mine.

To validate this lease it must be signed by you and Mr. Ira M. Vance, the lessees, as well as by Mr. and Mrs. Mauney, the lessors.

Please add these signatures on the two lines marked "A" on the enclosed form and mail a copy of it to this office. Also, please advise the book and page number on which the deed covering the leased property is recorded in the Register of Deeds of Cleveland County, as the lease description is not sufficiently detailed for its identification.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure

LFHearne:gad 12/17/52

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

400

DEC 12 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. [illegible]-2725 - Mica
Forest City Mining Company
Kenney Mine
Cleveland County
North Carolina

Dear Mr. Thomason:

This office has received an assignment of lease from J. L. Thomason and Ira Owen to the Forest City Mining Company. The description of the leased property in the assignment is not sufficiently in detail to accurately identify the property.

Please advise the deed book number and page number on which the deed to the leased property is recorded in the office of the Register of Deeds for Cleveland County.

Sincerely yours,

SIGNED

Laurence C. Houk, Chief
Nonmetallic Minerals Division

LCHourne:fle 12/11/52

Copy to: Adm. File
Docket File
Field Team, Region VII
Mr. Norton, G-232 CSA Bldg.
Mr. Lintrich, 3526
Mr. Houk

600

DEC 9 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. SHGA-2725 - Mica
Forest City Mining Company
Kelvey Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

A review of your application as styled above, dated September 20, 1952, reveals that a letter dated November 10, 1952, requests that either the original or a certified copy of your lease, properly executed by both lessors and lessees be forwarded to this office.

Nothing further has been heard from you and we assume that you no longer desire to proceed with the application. We wish to correspond with you in the matter of closing our time, but if the requested document has not been received by January 10, 1953, we will then consider the docket closed.

Sincerely yours

C. O. Mittendorf

Administrator

LFHearne:fls 12/9/52

Copy to: Admr. R. File
Docket File
Mr. Dietrich, 3526
Mr. Horton G-232 GSA Bldg.
Mr. Houk

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

Defense Minerals Administration
RECEIVED
NOV 17 1952

November 17, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725, Mica, Old Mauney Mine,
Cleveland County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $7,350.

Brooke L. Gunsallus

BLG:ad:A/M

Copy to: Minerals Division
Ceram. & Fert. Mat. Br.
R. D. Thomson
F I L E S

IN REPLY REFER TO:

G-MD-CNM

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

November 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, North Carolina.
Name of property: Old Mauney Mine.
Location of property: East side of Little Brush Creek, 4.1 miles from Shelby, North Carolina.
Date of field team report: October 22, 1952.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field Team's recommendation:
Prepare site and sink 80-foot shaft; drift or crosscut 90 feet on the 75-foot level. Estimated cost is $7,350.
Comments: None.
ACTION SUGGESTED:
Follow field team's recommendation.

R. E. Van Alstine

Van Alstine:jeh
G-11/12/52
cc: Director's reading file 4212
Branch " " "
DMEA
Norton G-230
Van Alstine G-230

600

NOV 10 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 163
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mumsey Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Reference is made to your application for exploration assistance in Docket DMEA-2725.

The copy of the lease submitted does not show the signatures of your partnership as lessors.

Will you please execute this document properly and forward either the original or a certified copy to this office?

Sincerely yours,

/s/

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LFHearne:gad 11/7/52

Copy to: Adm. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

600

OCT 17 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Your application in Docket No. DMEA-2725 for exploration assistance at the Mauney Mine has been referred to Defense Minerals Exploration Administration Field Office, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further information and field examination.

Your interest in exploration for strategic mica is appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

LFHearne:gad 10/16/52

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

600 OCT 17 1952

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

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Co.
Old Mauney Mine
Cleveland County, North Carolina

Dear Mr. Laurence:

Reference is made to Docket No. DMEA-2725 - Mica - Forest City Mining Company, Old Mauney Mine, located in No. 6 Township, four miles north of Shelby, North Carolina, in Cleveland County, on Federal and State Highway No. 26.

Since it appears that the subject mine produced good grade ruby mica valued at $2,758.66 for the Colonial Mica Corporation during World war II, a field examination is requested together with your recommendation for a suitable exploration program if you feel it is justified. It is noted that your office has already requested the applicant to furnish six copies of "Owner's Consent to Lien", signed by the land owners, Mr. and Mrs. Mauney.

Memoranda from the Bureau of Mines and Geological Survey in regard to the application are enclosed.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A.R. Kinkel Jr.

Member, Geological Survey

Enclosures 2

LFHearne:gad 10/16/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2725

COMMODITY Strategic Mica

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

RECEIVED
DEC 10 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this ..... day of ....., 195..., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss, and George Morrow. Box 165, Forest City, North Carolina.

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as ~~follows:~~ ~~Beginning I part of the lands known as the Rachel Paston Weathers tract in #6 township, 4 miles north of Shelby, on Highway #26, 2 acres on the waters of Brushy Creek 1 mile west of the Rachel Weathers home site. Beginning in the center of the present~~ the Operator represents and undertakes: old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet

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

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

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

See Annex 1

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

in or upon the described land; and shall bring the project to completion within a period of six months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $6,615.00, which is ninety percent of $7,350.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____

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

_____ [CORPORATE SEAL]

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

Exhibit "A"

Description of the Work.

At the approximate location marked "proposed shaft, drifts and crosscuts" on the sketch entitled "Sketch of Old Mauney Mine, Cleveland Co., N.C., DMEA-2725", attached hereto and made a part hereof, prepare a ~~site~~ shaft site by bulldozing and sink a 2-compartment vertical shaft, 5'x7' in the clear to a depth of 80 feet below its collar. ~~From~~ At a depth of 75 feet below the shaft collar drive ~~a~~ a 5'x7' cross-cut and/or drift a total length of 90 feet from the shaft.

Agreed Estimated Costs

Bulldozing shaft site 20 hrs. @ $10/hr	$ 200.00
~~80 feet of shaft~~ 5'x7' shaft sinking @ 80 ft @ $50/ft	4,000.00
~~90 feet of~~ Drifting and/or Cross-cutting 90 ft @ $35/ft	3,150.00
Total estimated costs	$ 7,350.00
Government ~~share~~ participation @ 90%	$ 6,615.00

Annex 1.

Beginning in the center of the present old mine workings known as the "Old Mauney Mine" (which is 100 feet east of Brushy Creek, 4.1 airline miles east of Shelby, Cleveland County, North Carolina, on a course north 37 degrees west) and running with a radius of approximately 250 feet, this property is said to contain 2 acres and is (~~actually 1½ acres~~) ~~which~~ a part of the lands known as the Rachel Poston Weathers tract (in #6 township, ~~which is~~ 4 miles north of Shelby on Highway #26 and Situated on the waters of Brushy Creek, 1 mile west of the Rachel Weathers home site) ~~now~~ described in Deed Book 000 at page 495, dated May 27, 1924, in the office of the Register of Deeds, Cleveland County, North Carolina.

Room 13, Post Office Building
Knoxville, Tennessee

COPY

October 30, 1952

Memorandum

To: Chairman, Operating Committee, DMEA-Washington

From: Field Team, DMEA - Region 7

Subject: Examination Report on DMEA-2725, Old Mauney Mine (mica)
Forest City Mining Company--Applicant.

Transmitted herewith are 4 copies of the above subject examination report and 6 extra copies of the map. The Field Team is in agreement with the recommendations set forth in this report.

/s/ Robert A. Laurence, Executive
Officer, DMEA Field Team, Reg. 7

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

Reviewed by
DMEA OPERATING COMMITTEE
11-7-52
(date)

The pegmatite has been worked along the strike for a maximum distance of 50 feet. It is now poorly exposed, but appears to strike E-W, dipping from 60° to 90° S. The intrusion is in excess of 15 feet in thickness, consisting of a rather continuous medial quartz rib, flanked by feldspathic pegmatite. The quartz core is 3 to 4 feet thick with about 6 feet of the feldspathic pegmatite on each wall. Feldspathic material in the dump consists of potash and soda feldspar, quartz, and mica. From the information available it appears that the best mica occurs frozen to and in the quartz core. The mica zone is followed by a thin zone of soda feldspar. Blocky potash feldspar occurs between the soda zone and the enclosing wall rock. It would appear from the dumps that sufficient potash feldspar occurs to constitute a recoverable by-product.

The enclosing mica gneiss wall rock trends about N. 60° W., dipping to the northeast.

History of mining activity is incomplete. The mine had been operated prior to World War II, but the amount of production is unknown. During World War II several people operated the mine, including Brack Buchanan, L. A. Lammart, Dr. Story, and others. Lammart is reported to have paid Mr. Mauney royalties on $2800 worth of mica. Since World War II the mine has been inactive.

Mica from this deposit has been classified by the Spruce Pine Mica Depot as of strategic grade, suitable for stockpiling. It is hard, clear, flat "A", ruby colored, and splits well. Because of the "A" structure, the amount of by-product scrap will be high, but considerable pattern mica should be obtained.

The Field Team discussed the Applicants' proposed program with them. Their immediate object for their proposal was designed to begin producing mica immediately or as soon as the old openings were cleaned out and made safe. This mine makes a lot of water at best, and the applicant's proposal would enlarge the collecting basin and probably increase the amount of water. These aspects were discussed with the applicants and they are in agreement that the following recommendation is more suitable.

The Field team recommends that a site be prepared and an 80-foot shaft be sunk along the south side of the open pits at a position approximately as indicated on the attached map and 90 feet of drift or crosscut and drift be driven from the 75-foot level. At the 75-foot level the shaft should be in or very near the pegmatite.

Room 13, Post Office Building
Knoxville, Tennessee

COPY

October 30, 1952

Memorandum

To: Chairman, Operating Committee, DMEA-Washington

From: Field Team, DMEA - Region 7

Subject: Examination Report on DMEA-2725, Old Mauney Mine (mica)
Forest City Mining Company--Applicant.

Transmitted herewith are 4 copies of the above subject examination report and 6 extra copies of the map. The Field Team is in agreement with the recommendations set forth in this report.

/s/ Robert A. Laurence, Executive
Officer, DMEA Field Team, Reg. 7

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

Reviewed by
DMEA OPERATING COMMITTEE

11-7-52
(date)

Fas

GCS
1/23/53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 8 1952

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION OF FIELD ITEM, REGION VII

DMEA-2725, OLD RAUSEY MINE (Mica)
Cleveland County, N. C.

By

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

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

Reviewed by
DMEA OPERATING COMMITTEE

October 22, 1952

11-7-52
(date)

FIELD EXAMINATION
on
OLD MAUNEY MINE (Mica)
Docket No. EMEA-2725

Applicant: Forest City Mining Company
c/o J. L. Thomason, Box 165, Forest City, N.C.

This deposit appears to warrent exploration. Previous mining has exposed a well zoned pegmatite which contains mica of grade suitable for stockpiling.

This mine was examined on October 22, 1952. Mr. George R. Morrow, one of the applicants, accompanied the Field Team on the examination which required three hours. Later, Ira M. Vance, another of the applicants was contacted and the proposed exploration program discussed with him. The proposed program is agreeable to Mr. Vance.

The Old Mauney Mine is located along the eastern side of Little Brushy Creek 4.1 airline miles and 5.5 miles by road N. 37° W., of Shelby, Cleveland County, North Carolina. Access to the mine is good at all times.

Those of the applicants who will conduct the exploration have had much mica-mining experience, especially Ira M. Vance. The company appears to be competent to conduct the project.

Adequate area is covered by the Applicant's lease to provide working and dumping space.

There is some doubt in the Field Team's mind as to the identity of this property. The location and description of the "Old Mauney Mine" as given in Shelby-Hickory District, North Carolina - by W. R. Griffitts part of (unpublished) Professional Paper, Mica Deposits of the Southeastern Piedmont, does not agree with the mine covered by this application. Furthermore none of the mines described in that report conform to the location and workings as they actually are at this place.

There are no surface facilities at this deposit. The mine has been worked from two open cuts, the size and extent are shown on the attached map. The open cuts are flooded to within 15 feet of the surface, but reports indicate that a drift connects the two openings on about the 25-foot level.

The pegmatite has been worked along the strike for a maximum distance of 50 feet. It is now poorly exposed, but appears to strike E-W, dipping from 60° to 90° S. The intrusion is in excess of 15 feet in thickness, consisting of a rather continuous medial quartz rib, flanked by feldspathic pegmatite. The quartz core is 3 to 4 feet thick with about 6 feet of the feldspathic pegmatite on each wall. Feldspathic material in the dump consists of potash and soda feldspar, quartz, and mica. From the information available it appears that the best mica occurs frozen to and in the quartz core. The mica zone is followed by a thin zone of soda feldspar. Blocky potash feldspar occurs between the soda zone and the enclosing wall rock. It would appear from the dumps that sufficient potash feldspar occurs to constitute a recoverable by-product.

The enclosing mica gneiss wall rock trends about N. 60° W., dipping to the northeast.

History of mining activity is incomplete. The mine had been operated prior to World War II, but the amount of production is unknown. During World War II several people operated the mine, including Brack Buchanan, L. A. Lammart, Dr. Story, and others. Lammart is reported to have paid Mr. Mauney royalties on $2800 worth of mica. Since World War II the mine has been inactive.

Mica from this deposit has been classified by the Spruce Pine Mica Depot as of strategic grade, suitable for stockpiling. It is hard, clear, flat "A", ruby colored, and splits well. Because of the "A" structure, the amount of by-product scrap will be high, but considerable pattern mica should be obtained.

The Field Team discussed the Applicants' proposed program with them. Their immediate object for their proposal was designed to begin producing mica immediately or as soon as the old openings were cleaned out and made safe. This mine makes a lot of water at best, and the applicant's proposal would enlarge the collecting basin and probably increase the amount of water. These aspects were discussed with the applicants and they are in agreement that the following recommendation is more suitable.

The Field team recommends that a site be prepared and an 80-foot shaft be sunk along the south side of the open pits at a position approximately as indicated on the attached map and 90 feet of drift or crosscut and drift be driven from the 75-foot level. At the 75-foot level the shaft should be in or very near the pegmatite.

This program of exploration permits all of the openings to be made in new ground and by utalizing the open pits for pumping purposes the amount of water in the proposed shaft and drifts will be greatly reduced.

The estimated costs of the above recommended program are as follows:

Rental of bulldozer, 20 hrs. @ $10/hr.	$200.00
80-foot, 5' x 7', 2-compartment shaft @ $50/ft.	$4,000.00
90 feet of 5' x 7' of drifts and/or crosscuts @ $35/ft.	3.150.00
Total Estimated Cost.....	$7,350.00

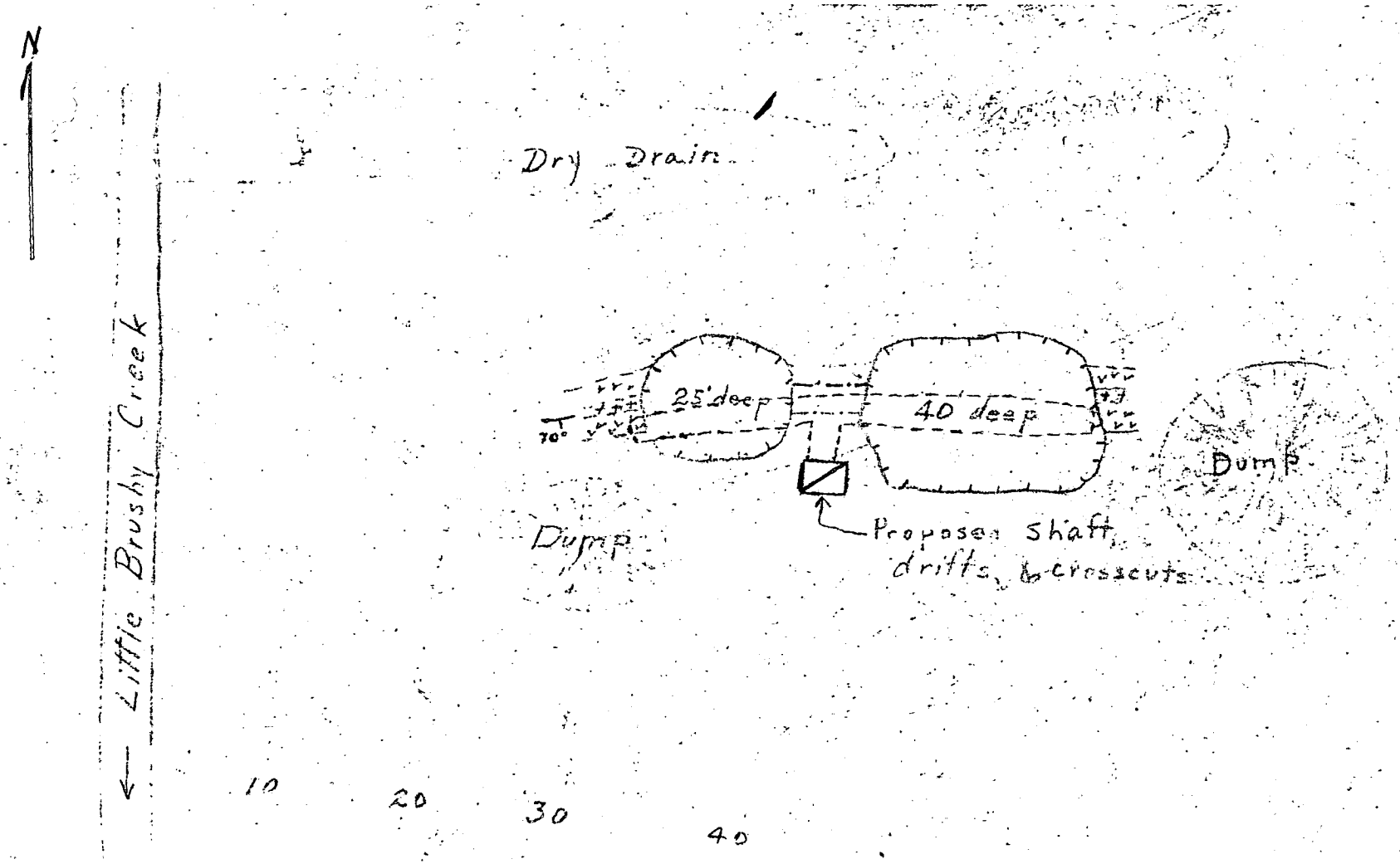
Total estimated time required 110 shifts.

October 22, 1952

Kofton H. Teague, USGS

Lawrence E. Shirley, USBM

zm



Sketch of
Old Mauney Mine
Cleveland Co., N.C.

0 20 40
Scale

DMEA-2725

Forest City Mining Company
Box 165
Forest City, N.C.

Form MF-100
(May 1951)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

Docket No. _____

Date received _____

Forest City Mining Company
Box 165
Forest City, North Carolina

Name and address of applicant

Date September 20, 1952

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

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

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

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

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

Forest City Mining Company
Box 165
Forest City, N.C.

INFORMATION RELATIVE TO FORM MF-100

1.
(a) Strategic sheet ruby mica

(b) Tough punch mica, scrap mica and feldspar

2. This is an open pit mine that was worked during the World War II under the Colonial Mica Company and was designated as the Mauney Mine.

(a) 40 feet

(b) 15 feet to 40 feet

(c) 48 feet

(d) None

This is a wet mine which will require pumping a part of each day. A two inch pump operating four hours per day will keep the mine dry at its present depth. As the shaft becomes deeper more and a greater quanity of water will seep in but a two inch pump operating when required will keep mine dry to a depth of 80 feet.

3.
(a) This mine is located five miles northwest of Shelby, North Carolina, which is the nearest town. The mine is located one-half mile off State and Federal Highway No. 26.

(b) Western North Carolina Mining District

(c) Township No. 6

(d) Cleveland County, North Carolina

4.
(a) This property is not now in operation and has not been since the Mica program in effect during World War II was terminated.

(b) This property will be operated by the applicant as lessee.

5. This property was in production one year during the World War II Mica program.

Operation of this mine will begin immediately after the receipt of financial assistance. The applicant expects to produce some mica within thirty days after operations are begun.

6.
(a) The mining and general business experience of the members of the partnership is as follows:

Forest City Mining Company
Box 165
Forest City, N.C.

Ira M. Vance, Pineola, North Carolina: Fifteen years mining mica and feldspar; one year in construction owrk, owner and operator of a Nursery five years, owner of General Merchandise Store for fifteen years.

Jim Vance, Crossnore, North Carolina: Twenty-Five years as Forester, with ten years experience in mining mica and feldspar.

Tom Dellinger, Crossnore, North Carolina: A college graduate and Vocational Agriculture teacher with five years experience in mining of mica.

James Wise, Spruce Pine, North Carolina: Experienced in the mining of mica for five years, no general business experience.

J. L. Thomason, Union Mills, North Carolina: Two years experience in the mining and preparation of mica; six years experience as farm manager and operator.

George R. Morrow, Forest City, North Carolina: A college graduate with one year experience in mining; and a practicing Attorney-At-Law; one year experience in construction work.

Thomas J. Moss, Forest City, North Carolina: A college graduate with twenty-nine years experience in the practice of law, President of the Blue Ridge Minerals and Mining Co., with five years executive experience in mining.

6.

(b) The project will be under the general supervision of all of the above parties; however, James Wise will be in charge of the labor force, acting as foreman and staying at the mine full time.

7.

(a) This property was first explored near the end of the World War II mica program, an open pit was dug about thirty feet deep and mica which would sheet on an average of 2 inches by 2 inches was found. The operators of the mine reasoned that they had missed the main chimney of mica and dug another open pit approximately ten feet from the original pit and found mica which would sheet and trim better than 2 inches by 2 inches. The operators then reasoned that the larger and better deposit of mica lay deeper in the two pits. The operators encountered water and pumping became necessary and a tunnel was cut to join the two pits in order that pumping could be carried on from either pit. A small shaft, about ten feet deep was dug in the bottom of the large pit which gave sheet mica. At this stage of the operation the Colonial Mica Company operating on the Government program quit buying mica. The private market for mica was then faced with a large supply and the price for said mica declined and the cost of mining prohibited further exploration and production.

(b) This property adjoins the property upon which the Martin Mine is located. The Martin Mine has in the past been the largest and heaviest producer of sheet ruby mica in Cleveland County. The said Martin Mine is now in operation and is producing large blocks of ruby sheet mica.

(c) The parties listed in six(a) have examined the pits referred to in this application and have reached the conclusion that for the mine to be properly developed and explored that the banks and walls of the pit must be cut down and sloped to prevent the same from caving; that the muck piles heretofore made must be leveled to permit new exploration and development;

Forest City Mining Company
Box 165
Forest City, N.C.

Continuance of Seven (c)

since operations at the two open pits were suspended erosion and caving have caused an accumulation of muck about twelve feet deep in the bottom of the pit, this must be cleaned out together with the loose flint rock before it will be possible to follow the mica vein.

8. Same as stated in 6 (a)

9. Inapplicable to this application.

10. Information not available and therefore cannot be answered.

11. Mine not at present in production

12. This deposit of mica is on the outer edges of a core of flint rock and wedged in and next to a wall of feldspar.

(b) Unable to answer because information not available; however, we wish to refer you to Bureau of Mines Information Circular 7617 entitled "Domestic Mica" and the reports from the present geological survey now being conducted in the Cleveland County area. ?

13. Located five miles northwest of Shelby, North Carolina on a hard suffaced State and Federal Highway No. 26. Mica will be shipped by applicants truck from mine to Spruce Pine buying depot, all roads are hard surfaced to market.

14. Supply of water not necessary for this operation.

15. The source of all power will be gasoline engines varying horse power. Gasoline available in any quantity at nearby gasoline stations for $.27 per gallon. (Electrical power available if needed.)

16. Mine not now in operation but three muckers, two miners, and one foreman—hoist operator will be required.

17. No buildings available.

Hoist together with bucket and rigging, two inch pump with hose and necessary connections and shop tools available for operation.

18. The applicants have heretofore been engaged in prospecting and exploration and mining operations at their own expense and have expended quite a bit of their own capital ~~and~~ in these activities. However, a large amount of experience and knowledge has been gained in these efforts and it is the considered opinion that this mine and location should prove highly productive and profitable if the same can be adequately developed and exploited with the necessary capital and equipment.

[illegible] CITY [illegible] EMERY CITY, NORTH CAROLINA. Old 7-3-53
[illegible] Mine, Montgomery County, North Carolina.
[illegible] with respect to accident at the mine. No. 237

☑ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12-9-56
Incl. Voucher for August 1956

☐ Actual Cost

☑ Agreed Unit Costs

Name Forest City Mining Co

Docket No. 2725

State: North Carolina

Commodity: Mica

Idm-E No. 480

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	90	3150.00			
Raising					
Shafts	80	4000.00	46	2,300.00	2,300.00
Winzes					
Drilling (Specify)					
Surface Excavation		200.00		89.00	89.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		7350.00		2389.00	2389.00

Prepared by [illegible]

71626

A

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Forest City Mining Company
Box 165
Forest City, North Carolina

pertaining to Exploration Project Contract No. Idn-E480, Docket No. DMEA-2725, including Amendment No. 1, for the months of February, 1953, to August, 1953, inclusive, covering a project for the exploration of mica in Cleveland County, North Carolina, on property known as the Old Massey Mine.

My review included an examination of the Monthly Reports (Forms MP-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, verification of work performed by reference to final field team report, and a determination of the reasonableness and propriety of the costs.

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

the contract provides 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		$2,389.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$2,389.00

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 Two thousand one hundred fifty and 10/100 Dollars,

$2,150.10

is considered valid and proper in view of the termination of the contract under the provisions thereof, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

April 6, 1954

E. D. Talbert, Auditor

Division copy

NOTICE OF TERMINATION

To: Forest City Mining Company
Box 165
Forest City, North Carolina

Operator under Exploration
Project Contract Idm-2A80,
Docket No. DMRA-2725,
dated January 27, 1953.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract, under the terms thereof (which preserves the Government's rights with respect to a percentage royalty), on the following ground:

> In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that you have not performed any work since August 1953, that all mining equipment has been removed from the property which is the subject of the exploration project, and the time for completion of the work, November 27, 1953, has passed.

The Government will make no contribution to the agreed unit costs of work performed after the date of receipt by you of this notice.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

Dated this 1st day of March, 1954.

THE UNITED STATES OF AMERICA

By C. A. Mittenzwey
Administrator, Defense Minerals
Exploration Administration

Robin Hoffburg
Hook
Chamberlin

Division Copy

AMENDMENT NO. I

Contract Idm-E480, DMEA-2725 (mica) dated 27th day of January 1953, between the UNITED STATES OF AMERICA, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and Goerge Morrow, hereinafter called "Operator," is amended as follows:

Article 3 is amended to provide that the Operator is to complete the project within a period of ten (10) months from the date of the contract, instead of six months (6) as provided in the original contract.

This amendment is necessary because of an accident at the mine work was temporarily suspended. Work is to begin as soon as Workman's Compensation can be obtained.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

July 6, 1953

FOREST CITY MINING COMPANY

By Ira M Vance

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA Field Team
Region 7

XIII

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2725

COMMODITY Strategic Mica

Division Copy

IDM-E 480

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 1[illegible] 1953

EXPLORATION PROJECT CONTRACT [1]
(Short Form)

IT IS AGREED this 27th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and George Morrow
Box 165
Forest City, North Carolina

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as [redacted]: set forth in Annex I

the Operator represents and undertakes: [4]

(a) [redacted]

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for [5] strategic mica in or upon the described land; and shall bring the project to completion within a period of six months (6) from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90% percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of 6,615.00, which is 90 percent of $7,350.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

16—66329-1

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Forest City Mining Company
(Operator)

By Ira Vance

By O. Mitteudorf
Administrator, Defense Minerals Exploration Administration

Approved
H. Fleming
Hoch
Talbot

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
FOREST CITY MINING COMPANY
DOCKET NO. DMRA-2725

ANNEX I

Beginning in the center of the present old mine workings known as the "Old Mauney Mine" (which is 100 feet east of Brushy Creek, 4.1 airline miles east of Shelby, Cleveland County, North Carolina, on a course north 37 degrees west) and running with a radius of approximately 250 feet. This property is said to contain two acres and is a part of the lands known as the Rachel Poston Weathers tract (in #6 township, four miles north of Shelby on Highway #26, and situated on the waters of Brushy Creek, one mile west of the Rachel Weathers home site) described in Deed Book 000 at page 495, dated May 27, 1924, in the office of the Register of Deeds, Cleveland County, North Carolina.

EXPLORATION PROJECT CONTRACT
FOREST CITY MINING COMPANY
DOCKET NO. DMEA-2725

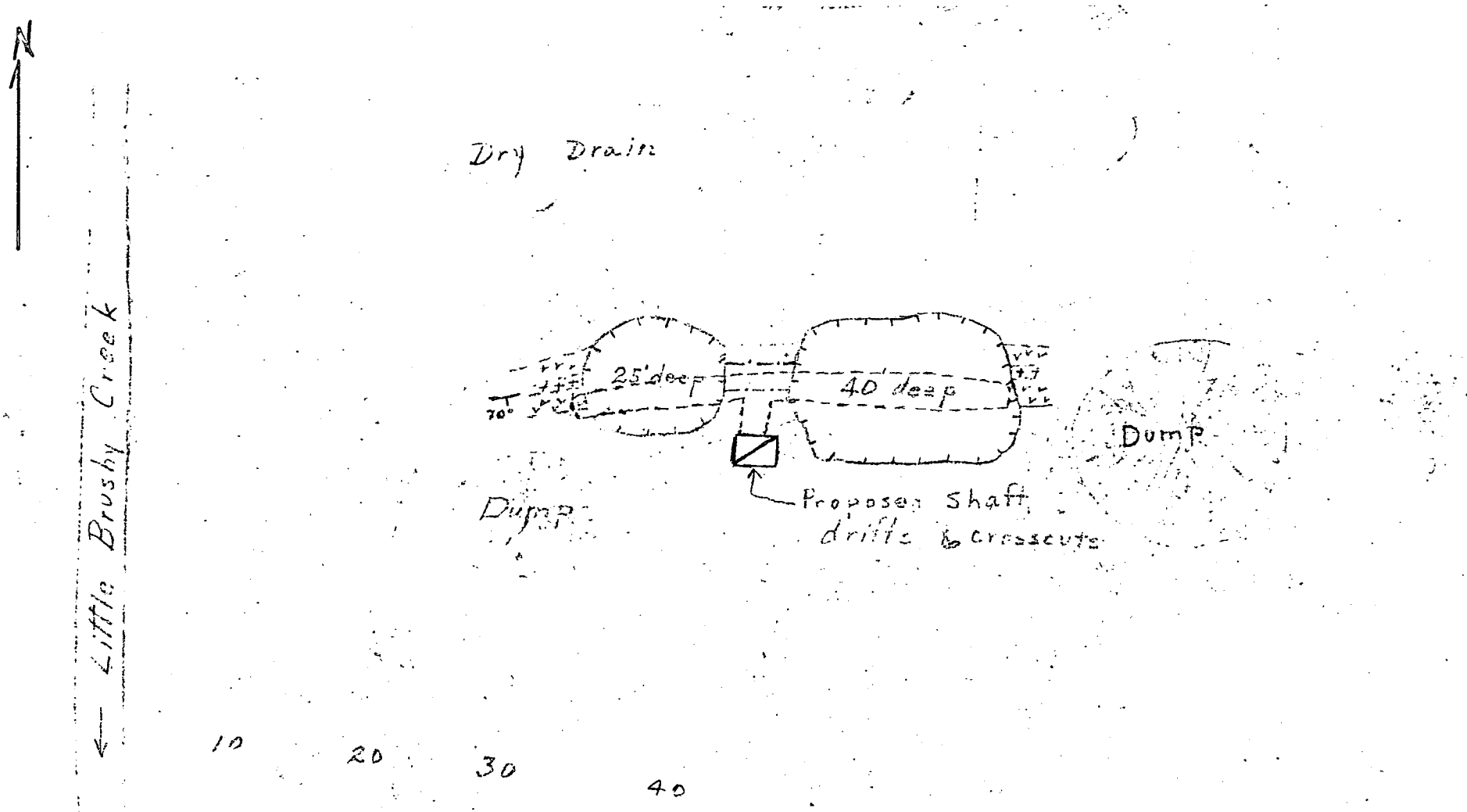
EXHIBIT "A"

Description of the Work

At the approximate location marked "proposed shaft, drifts and crosscuts" on the sketch entitled "Sketch of Old Mauney Mine, Cleveland Co., N. C., DMEA-2725," attached hereto and made a part hereof, prepare a shaft site by bulldozing and sink a two-compartment vertical shaft, 5' x 7' in the clear to a depth of 80 feet below its collar. At a depth of 75 feet below the shaft collar drive a 5' x 7' crosscut and/or drift a total length of 90 feet from the shaft.

AGREED ESTIMATED COSTS

Bulldozing shaft site - 20 hrs. @ $10.00/hr.	$ 200.00	
Shaft sinking - 80 ft. @ $50.00/ft.	4,000.00	
Drifting and/or crosscutting - 90 ft. @ $35.00/ft.	3,150.00	
Total Agreed Estimated Costs		$7,350.00
Government Participation @ 90%		$6,615.00



Sketch of
Old Mauney Mine
Cleveland Co., N.C.

0 20 40
Scale

DMEA-2725

COPY

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Cleveland, described as follows: 1/ Being a part of the lands known as the Rachel Poston Weathers tract in #6 Township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek, 1 mile west of the Rachel Weathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

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

2/ J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and George Morrow, Partners, trading and doing business as Forest City Mining Company

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 8th day of October, 1952.

/S/ S. S. Mauney [Seal]

/S/ Rachel Mauney [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

Project Summary Report

By: Walter C. Anderson April 16, 1954

1. DMEA Docket No. 2725 - Mica
   Contract No. Idm-E480
   Old Mauney Mine
   Cleveland County, North Carolina

   Operator: Forest City Mining Company
   Box 165
   Forest City, North Carolina

   Operator's property rights:
   Lease for 3 years - dated September 15, 1952.
   Owner's Consent to Lien - dated October 8, 1952.

2. Contract - dated January 27, 1953.

   Work authorized:

Bulldozing shaft site - 20 hrs. @ $10.00/hr.	$ 200.00
Shaft sinking 80 ft. @ $50.00/ft.	4,000.00
Drifting and/or crosscutting 90 ft. @ $35.00/ft.	3,150.00
Total authorized cost	$7,350.00
Government participation @ 90%	$6,615.00

   Amendments - No. 1 7/6/53 - Extends completion date from 6 months to 10 months.

   Work completed:

Bulldozing shaft site	$ 89.00
46 ft. of shaft @ $50.00/ft.	2,300.00
Total project cost	$2,389.00
Government participation @ 90%	$2,150.10

   Contract work started February 16, 1953, and was terminated for cause on March 1, 1954, before completion.

3. Audit - Report of Review, dated April 6, 1954.

Total accepted cost	$2,389.00
Government participation	$2,150.10

4. Certification of Discovery - none issued.

5. Comments:

How conducted -
1. Low efficiency.
2. Operator exhibited no interest, worked only when they pleased and when convenient. Abandoned project when shaft was only about half completed.

Operation -
1. Bad
2. During time when work was subcontracted, a workman was killed because of carelessness.

Engineering - bad, reports were very inadequate.

Geological premises - whether right or wrong cannot be determined since target was not reached.

Geological criteria on which work was based:
1. Well zoned pegmatite 15 ft. thick, worked along the strike for 50 ft.
2. $2,800 worth of good quality mica sold during World War II.

Criteria developed during project - none.

Future possibilities - resumption of work by responsible operator is possible, as bottom of shaft is in good condition.

Recommendations:

DMEA - 1. Obviously no certification of discovery.
2. None of the partners in the company should be considered for another contract.
3. Consideration be given to responsible operator, should one apply for a project.

Bureau of Mines
No certification of discovery.

Geological Survey
Concurs.

WCAnderson:gad 4/16/54
Copy to: Admr. R. File
Mr. Houk

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

OCT 12 1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared..." No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say "...we evidently misunderstood the language (of the termination notices), for we assumed that the Government was preserving the right to repayment for work already done..." Payment by whom?

If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: "...we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. Ordinarily DMEA treats further operations by a new operator as an entirely new project without liability for past operations which did not result in a certification of discovery or development. However, in some cases where the second operator would derive unusual benefit from the Government's contribution under the original contract he may be required to assume liability for such contribution if certification is made.

IV

With respect to an operator who has abandoned the property you say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous except where the Government terminates the contract. Under the provisions of the contract the operator can be relieved from the royalty obligations only by "...complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract..." If the Government terminates it waives all claim for damages on account of the abandonment.

V

You say: "It is not clear to us why one type of action was taken for these two contracts (Robert Baker and Forest City), and entirely different actions taken in terminating (the other contracts)..." The method of terminating contracts must depend upon the facts in each

case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

LGHouk/JLHofflund/
LGHouk:gad 10/6/54

Copy to: Admr. R. File
Operating Committee
Docket - 4
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk - 4
Mr. Hofflund - 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 17, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-2646, Idm-E444 (mica) Robt. Baker, Zimmman Mine
DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Old Mauney Mine

Reference is made to a memorandum dated August 20 from the Executive Officer, Region VII, to the Operating Committee which Mr. Houk has submitted to this office on a routing slip dated August 25, received here September 2, asking us to prepare an answer. The memorandum from the Administrative Officer asks why in terminating certain contracts the Government's royalty rights are preserved in one case and not in another.

This office does not and cannot determine when royalty rights are to be preserved in connection with the termination of contracts. The answer should be prepared in the Commodity Division, and this office will review it if that seems desirable.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

JLHofflund:bbh 9-17-54

Copy to: Mr. Houk
DMEA Docket
Solicitor's Docket
Chron.

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mounsey Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

The termination agreement merely preserves the right to certify. It does not provide for repayment without certification. In this connection see DMEA Circular 33 and the alternative provisions 5 and 5' in form "Termination Agreement" attached to that circular. As we now know that these projects will not be certified because no discovery or development was made, there is no obligation on the part of anyone to repay the Government.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

LGHouk:LGHouk:gad 8/16/54
Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

C
O
P
Y

July 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2646, Idm-E 444 (mica) Robert Baker (Zinniman Mine) Mitchell County, N. C. and
DMEA-2725, IdmE 480 (mica) Forest City Mining Company (Old Mauney Mine) Cleveland County, N. C.

Reference is made to the Notice of Termination on the subject contracts. In these terminations it is stated that "All rights of the Government with respect to Certification of discovery or development, percentage royalty, and lien for payment as provided in the contract, are preserved." We would like clarification on this statement. As no certification of discovery or development has been made, and none can be made as no ore was discovered, is the Government still entitled to a royalty on production should another Operator take over the property and produce mica?

Robert A. Laurence

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

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures - Total approved $7,350.00
Total cost 2,389.00
Government's share 2,150.10
Value None
4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

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

Defense Minerals Administration
RECEIVED
APR 8 1954

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures

Total approved	$7,350.00
Total cost	2,389.00
Government's share	2,150.10
Value	None

4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

IN REPLY REFER TO:

G-MD-GMM

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

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Manney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:
Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/30/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

IN REPLY REFER TO:

G-MD-CMM

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

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Mauney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:
Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/30/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

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

Defense Minerals Administration
8 1954

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures

Total approved	$7,350.00
Total cost	2,389.00
Government's share	2,150.10
Value	None

4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON 25, D. C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

March 24, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Final Report, DMEA-2725, Idm-E 480 (mica) Old Mauney Mine. Forest City Mining Company, Forest City, N. C.

Enclosed are 4 copies of the final report on the subject exploration contract which was terminated on March 1 because of Operator's failure to fulfill the contract.

Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered.

/s/ Robert A. Laurence
Executive Officer
DMEA Region VII

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

Reviewed by
DMEA OPERATING COMMITTEE
3-31-54
(date)

A

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4/1

REFERRED TO:

1. 600
2.
3.
4.

FOR:

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

REMARKS: No closing letter
Project Summary

Check (X) before the items needing attention.

RUSCITI

Initials of sender.

GPO 16—63815-1

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 26 1954

FINAL REPORT BY FIELD TEAM, REGION VII

On

DMEA-2725, OLD MAUNEY MINE (mica)
Cleveland County, North Carolina

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

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

Dewey H. Amos, Geologist
U. S. Geological Survey

March 18, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-31-54
(date)

Business Economic Administration
RECEIVED
MAR 26 1954

FINAL REPORT

ON

DMEA-2725, Idm-E 480 (mica)

OLD MAUNEY MINE

Operator: Forest City Mining Company, Box 165, Forest City, North Carolina

The Old Mauney mica mine is on the east side of Little Brushy Creek 4.1 airline miles and 5.5 miles by road N. 37° W. of Shelby, Cleveland County, North Carolina.

The target towards which this project was directed was not reached. The operator abandoned the project after the shaft was sunk to a depth of 46 feet. Should another operator file for exploration assistance on this mine, work could be resumed in the 46-foot shaft as it is in good condition.

This project began February 16, 1953 and was terminated for cause on March 1, 1954. Work accomplished under the contract consisted of preparing a shaft site ($89), and sinking a timbered, 2-compartment, 5' x 7' shaft to a depth of 46 feet. At this point the project was abandoned; the operators used as the excuse for abandining - a heavy flow of water and raveling of shaft back of the cribbing. Neither excuse is valid.

The shaft is located about 15feet south of the outcrop of an east-west trending pegmatite. The dip is steep and to the south. The shaft is entirely in mica gneiss and schist, the bottom 15 feet of which required shooting.

Expenditures:

(a)	Total approved	$7,350.00
(b)	Total cost of project	2,389.00
(c)	Government's share of cost	2,150.10
(d)	Government's share unexpended	4,464.90
(e)	Value of production during project	None

Work was conducted on this project only during those times when it was convenient to the operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration.

March 18, 1954.

K. H. Teague and W. H. Amos, Geologists
U. S. Geological Survey

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

IN REPLY REFER TO:

G-MD-CMM

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

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Mauney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:
Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
3/30/54
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.

March 15, 1954

Memorandum

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

From: DMEA Field Team, Region VII

Subject: DMEA-2725, Idm-E 480 (mica) Forest City Mining Co.
Old Mauney Mine, Cleveland County, N. C.

The Operator was sent on this date a Notice of Termination of subject exploration contract.

The Field Examiners inspected the shaft while it was unwatered on March 10, 1954. There is about one foot of silt in the bottom of the shaft that has raveled from back of the timbers, otherwise, the shaft is in very good shape. Timber extends within two feet of the bottom and at only one place, about 6 feet from the bottom, was raveling back of the timber. At this place, a two-foot caved zone occurs back of the southeast corner of the shaft. It is the examiners opinion that, with a competent mining crew, little difficulty would be encountered in completing this project. The shaft is now at 45 feet and makes considerable water.

The Field Examiners are of the opinion that the Operator has permanently abandoned the project and that further effort to encourage him to work the mine would be wasted. Furthermore, Mr. Ira Vance, who is the only competent miner in the Forest City Mining Co., is physically unable to continue supervising the project. Therefore, the examiners and the Field Team agree to termination.

Wm. A. Beck, Acting
Executive Officer, DMEA
Region VII

BHT/sm
cc:
Beck
Lynch
Opr. Com.
Files

Benjamin Gildersleeve, Geologist
U. S. Geological Survey

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

March 25, 1954

Memorandum

To: The Administrator

Through: 1. L. G. Houk
2. F. E. Johnson

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

These two contracts were the subject of a memorandum from the Chief Counsel to the Administrator, dated February 16 which contains this paragraph:

> Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose."

The notices of termination attached to the memorandum were executed by the Administrator under date of March 1, and presumably have been delivered to the Operators. These notices contain the statement that the Government ". . . hereby terminates the subject contract, <u>under the terms thereof</u> . . ." The notices themselves do not contain any demand for repayment of money, nor was any demand for repayment made contemporaneously with the notices.

NOTE: Copy of this memo sent Region VII 3/29/54.

It is my opinion, as indicated in the memorandum of February 16, that notice of termination under the provisions of the contract, should not be given if the Government considers the case a proper one for the recovery of money contributed. If a demand for the repayment of money is made, it is made only because the Government deems that it has a legal right to repayment, and if not thereafter paid, it would have to be referred to the General Accounting Office for collection.

Once a termination of the contract has been made under the provisions of the contract, without at the same time demanding repayment of money contributed, it is my opinion that any right that may have existed to demand and collect repayment is at least seriously jeopardized, and may provide the Operator with a good defense to any subsequent demand for repayment.

In a proper case for requiring repayment of money contributed, notice of termination should not be given under the provisions of the contract, but notice of rescission should be given for breach of the contract coupled with a demand for the repayment of money contributed.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund/emd

Copy to: Docket (2)
L. G. Houk(2)
F. E. Johnson
J. L. Hofflund
chron.

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.

March 4, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Field Team, Reg. VII

Subject: DMEA-2725, Idm-E 480 (mica). Forest City Mining Company
Old Mauney Mine, Cleveland Co., N. C.

Your letter of March 2 and Notice of Termination for the subject exploration contract have been received.

We have an appointment with the Operator for our field examiners to inspect the Old Mauney Mine on March 10. At that time a decision as to what may be done at this mine will be made. Therefore, the termination notice will be held in this office at least until we receive the examiners' report.

/s/
Robert A. Laurence

600

MAR 2 1954

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

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Dear Mr. Laurence:

Please find herewith the original and two copies of a Notice of Termination of subject exploration contract which have been signed by the Government.

If this Notice of Termination meets with your approval kindly make the proper distribution of copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

Enclosures 3

WCAnderson:gad 2/25/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Div. Copy

C
O
P
Y

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

January 21, 1954

Mr. George R. Morrow
P. O. Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E480 (mica)
Forest City Mining Company
Old Mauney Mine

Dear Mr. Morrow:

Mr. Teague and Mr. Shirley expect to be in Cleveland County about February 10, and would like to make the examination of the Old Mauney Mine which was postponed in November because of Mr. Vance's illness. Will you please advise me whether Mr. Vance or another representative of the company will be able to meet them at that time? If so, it will be necessary to have the shaft pumped out, so that it can be examined.

Very truly yours,

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

January 18, 1954

Memorandum

To: Chief Counsel

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Transmitted herewith is the official docket and our Division file for your reference in reviewing the status of the subject contract.

You will note the Field Team reports that it appears this project has been abandoned. Hoist, air compressor, pumps and camp equipment have been moved from the mine site. The contract is less than one-half completed and no work has been done since about August 15, 1953, although the exploration contract, as amended July 6, 1953, calls for completion by November 27, 1953.

The Operator apparently has ignored the requests and warnings in two letters by Region VII Field Team, dated November 17 and 24, 1953. Please note that the Field Team reminded the Operator that there is no present reason to believe the objectives of this work are not as good now as they were when the contract was signed, and warned the Operator that unless work was resumed, the contract would have to be considered in default.

It is our desire to take definite action at this time to end this inactivity. We are, therefore, referring the matter to your office for determination of the proper course of action.

W. C. Anderson
Nonmetallic Minerals Division
WCAnderson:gad 1/18/54

Attachments 2

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

INTERIM REPORT

MMEA-2726 ldm-E480 (mica) OLD MAURY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No progress can be reported on this contract. No attempt has been made by the operator to resume operations and the same conditions exist as reported in the last Interim Report.

Mr. Robert A. Laurence, Executive Officer of MMEA, Region VII, accompanied the Field Examiners on this visit to the mine.

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

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

December 2, 1953

Mr. Anderson

JB

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
NOV 27 1953

November 24, 1953

Mr. George R. Morrow
Box 165
Forest City, N. C.

Re: DMEA-2725, Idm-E480 Old Mauney Mine
Forest City Mining Co. (mica)

Dear Mr. Morrow:

I have your letter of November 20, concerning work at the Old Mauney Mine under the subject exploration contract.

In order to properly determine whether this work may be completed or whetner conditions are too hazardous to do so, it will be necessary for our Field Examiners to inspect the bottom of the shaft, which they have not been able to do because of water in the shaft. Accordingly, Mr. Teague and Mr. Shirley will be at the mine at approximately 10:00 a.m. on Wednesday December 2. Please have the water pumped out of the shaft at that time. The decision on whether to continue or terminate will be delayed until after that inspection.

Very truly yours,

Robert A. Laurence

RAL/zm
cc:
Peck
Lynch
Opr. Com.
Files

mds

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1953

EXECUTIVE OFFICER
DMEA REGION VII

November 17, 1953

Mr. Ira Vance
Forest City Mining Company
Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E 480 (Mica)
Old Mauney Mine

Dear Mr. Vance:

According to our records, no work has been done at the Old Mauney mine since about August 15, although the exploration contract as amended July 6, 1953, calls for completion of the exploratory work by November 27, 1953.

I am now advised that you have moved all equipment from the mine and are planning to give up the lease. I wish to call to your attention that the exploration contract is a firm contract under which you are to sink an 80-foot shaft and drive 90 feet of drift and/or crosscut. There is no present reason to believe that the objectives of this work are not as good now as they were when the contract was signed.

Therefore, unless work is resumed, we will have to consider this contract in default. In that case, the Government may insist upon repayment of all money paid to you under this contract.

In order to extend the time needed for completion of this contract, it will be necessary to prepare another amendment. Please advise me how soon you can resume work and how much time you think you will need to complete the work, so that the amendment may be prepared and forwarded for your signature.

Very truly yours,

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

RAL/mg
cc - Operating Committee
Beck
Lynch
File

cc - Ira Vance, Pineola, N.C.

MDs

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1953

INTERIM REPORT

IMEA-2725 Idm-2480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 6.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

It appears that this project has been abandoned. Hoist, air compressor, pumps and camp equipment have been moved from the mine site. The hoisting frame has been lowered, but is still at the mine. Conversation with the wife of the landowner divulged that equipment was moved on October 29, 1953 and that the operator was giving up the lease.

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

November 4, 1953

Anderson

[illegible]

[illegible]

[illegible]

[illegible]-2725 Idn-[illegible]480 (mica) [illegible]

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 57° E of Shelby, Cleveland County, North Carolina.

Shaft sinking is still at a standstill on this contract. This visit to the mine found the mine idle and no work has been accomplished since about August 15, 1953. The operator was not contacted and it is not known when sinking will resume.

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

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

October 8, 1953

Mr. Anderson

6 ov

MINERAL REPORT

NWSA-2725 Idn-1480 (mica) SID [illegible] MINE

OWNER: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.0 miles by road N 87° E of Shelby, Cleveland County, North Carolina.

Shaft sinking is again at a standstill on this project. A note attached to the railing around the shaft stated that the crew was harvesting tobacco and would return to the mine in the early future. The shaft depth is now at 45 feet and contained 23 feet of water. A solid partition has been installed and cribbing completed to at least 18 feet, as suggested at last visit.

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

E. M. Sengue, Geologist
U. S. Geological Survey

September 9, 1953

Mr. Anderson

(Rev.)

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 August, 1953 Docket No. DMEA 2729 Contract No. 2LME480
Operator's Name Forest City Mining Company, Box # 165 Minerals Mica
Address Forest City, N. C.
Contract Amount, $ 7,250.00 Government Participation: 90% Amount, $ 200.00

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		89.00	89.00			
Crosscutting						
Drifting						
Shaft	200.00	2100.00	2300.00			
(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	200.00	2189.00	3 Rec 2389.00	200.00	2 89	2389.00

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 8-3-53 *Payee Forest City Mining Co.
Per [signature] 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:
$ 180.00
Signature Cora A. Pipes (Authorized Certifying Officer)
Date SEP 11 1953 Vou. No. 74
(See other side)

4

20.00

(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-E480 in accordance with the terms of the contract.

Signature Lawrence C. Shirley Title Mining Engr. U.S.B.M. Date Sept. 7, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurency Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 10 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

Docket copy

NOTICE OF TERMINATION

To: Forest City Mining Company
Box 165
Forest City, North Carolina

Operator under Exploration
Project Contract Idm-E480,
Docket No. DMEA-2725,
dated January 27, 1953.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract, under the terms thereof (which preserves the Government's rights with respect to a percentage royalty), on the following ground:

> In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that you have not performed any work since August 1953, that all mining equipment has been removed from the property which is the subject of the exploration project, and the time for completion of the work, November 27, 1953, has passed.

The Government will make no contribution to the agreed unit costs of work performed after the date of receipt by you of this notice.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserserved.

Dated this 1st day of March, 1954.

THE UNITED STATES OF AMERICA

By C O Mitteudorf
Administrator, Defense Minerals
Exploration Administration

Robin
Hoffland
Hook
Chamberlin

ket Copy

9/8/53

AMENDMENT NO. I

Contract Idm-E480, DMEA-2725 (mica) dated 27th day of January 1953, between the UNITED STATES OF AMERICA, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and Goerge Morrow, hereinafter called "Operator," is amended as follows:

Article 3 is amended to provide that the Operator is to complete the project within a period of ten (10) months from the date of the contract, instead of six months (6) as provided in the original contract.

This amendment is necessary because of an accident at the mine work was temporarily suspended. Work is to begin as soon as Workman's Compensation can be obtained.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

July 6, 1953

FOREST CITY MINING COMPANY

By Ira M Vance

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA Field Team
Region 7

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2725

COMMODITY Strategic Mica

Docket Copy

IDM-E 480

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 27th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Forest City Mining Company, a partnership composed of J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and George Morrow
Box 165
Forest City, North Carolina

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Cleveland, described as ~~xxxx~~ set forth in Annex I

the Operator represents and undertakes:[4]

(*a*) ~~[illegible]~~

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

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

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

in or upon the described land; and shall bring the project to completion within a period of six months (6) from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90% percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $6,615.00, which is 90 percent of $7,350.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Forest City Mining Company
(Operator)

By Ira Vance

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

Hoyt Talbert

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

_____ [CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
FOREST CITY MINING COMPANY
DOCKET NO. DMEA-2725

ANNEX I

Beginning in the center of the present old mine workings known as the "Old Mauney Mine" (which is 100 feet east of Brushy Creek, 4.1 airline miles east of Shelby, Cleveland County, North Carolina, on a course north 37 degrees west) and running with a radius of approximately 250 feet. This property is said to contain two acres and is a part of the lands known as the Rachel Poston Weathers tract (in #6 township, four miles north of Shelby on Highway #26, and situated on the waters of Brushy Creek, one mile west of the Rachel Weathers home site) described in Deed Book 000 at page 495, dated May 27, 1924, in the office of the Register of Deeds, Cleveland County, North Carolina.

EXPLORATION PROJECT CONTRACT
FOREST CITY MINING COMPANY
DOCKET NO. DMEA-2725

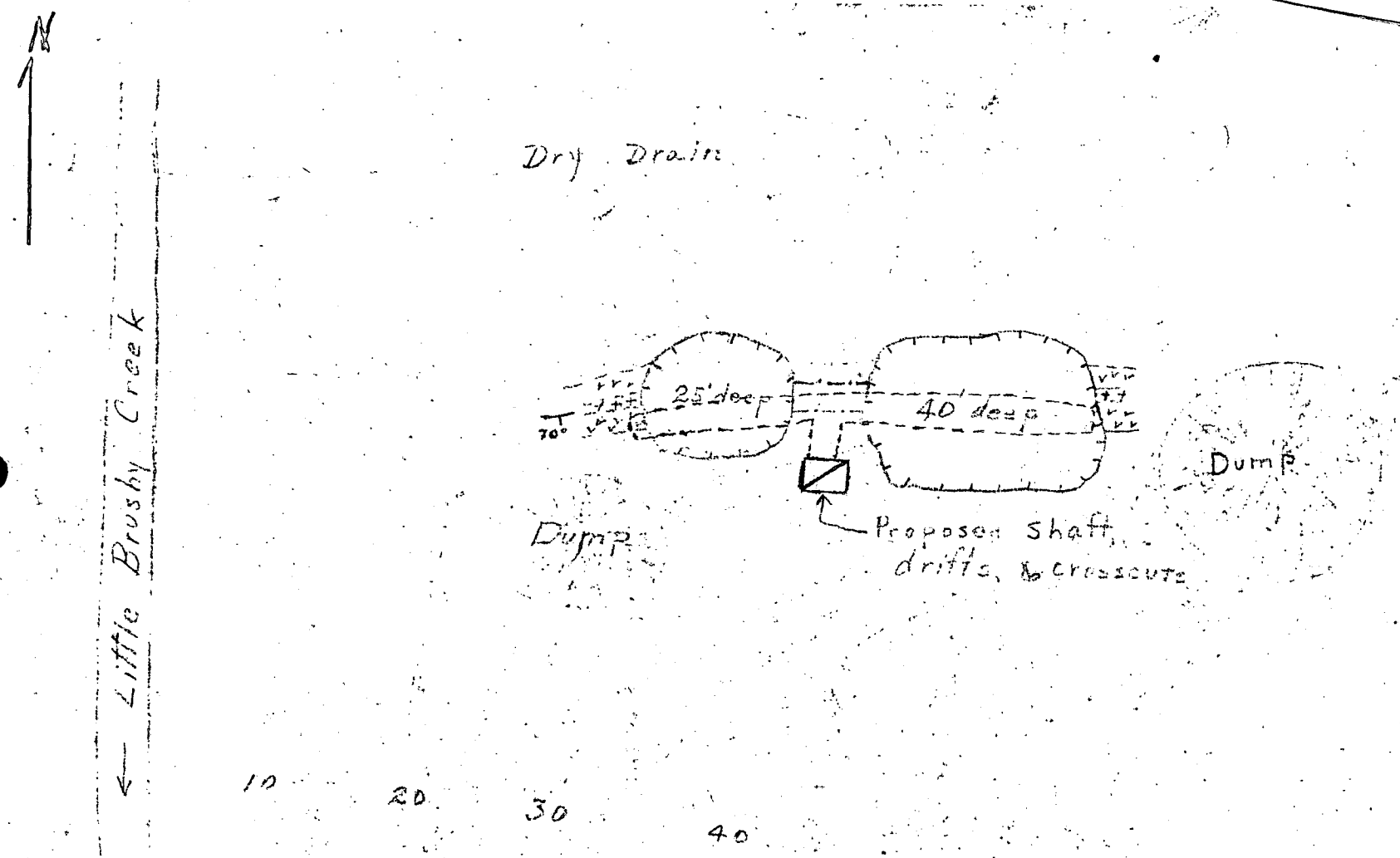
EXHIBIT "A"

Description of the Work

At the approximate location marked "proposed shaft, drifts and crosscuts" on the sketch entitled "Sketch of Old Mauney Mine, Cleveland Co., N. C., DMEA-2725," attached hereto and made a part hereof, prepare a shaft site by bulldozing and sink a two-compartment vertical shaft, 5' x 7' in the clear to a depth of 80 feet below its collar. At a depth of 75 feet below the shaft collar drive a 5' x 7' crosscut and/or drift a total length of 90 feet from the shaft.

AGREED ESTIMATED COSTS

Bulldozing shaft site - 20 hrs. @ $10.00/hr.	$ 200.00	
Shaft sinking - 80 ft. @ $50.00/ft.	4,000.00	
Drifting and/or crosscutting - 90 ft. @ $35.00/ft.	3,150.00	
Total Agreed Estimated Costs		$7,350.00
Government Participation @ 90%		$6,615.00



Sketch of
Old Mauney Mine
Cleveland Co., N.C.

0 20 40
Scale

DMEA-2725

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Cleveland, described as follows:1/ Being a part of the lands known as the Rachel Poston Weathers tract in #6 township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek, 1 mile west of the Rachel Weathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

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

2/ J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss and George Morrow, Partners, trading and doing business as Forest City Mining Company

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 8th day of October, 195 2.

S. L. Mauney [Seal]

Rachel Mauney [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

OCT 16 1952
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

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DMA Docket No. 2725

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To:	Op Com	Date	10/17/52
To:	Oper Com.	Date	1-26-53
To:	Oper Com	Date	3-1-54
To:	Oper Com	Date	10-11-54
To:		Date	
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140

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

N.S. in R.R.

March 25, 1954

Memorandum

To: The Administrator

Through: 1. L. G. Houk
2. F. E. Johnson

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

These two contracts were the subject of a memorandum from the Chief Counsel to the Administrator, dated February 16 which contains this paragraph:

> "Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose."

The notices of termination attached to the memorandum were executed by the Administrator under date of March 1, and presumably have been delivered to the Operators. These notices contain the statement that the Government ". . . hereby terminates the subject contract, <u>under the terms thereof</u> . . ." The notices themselves do not contain any demand for repayment of money, nor was any demand for repayment made contemporaneously with the notices.

It is my opinion, as indicated in the memorandum of February 16, that notice of termination under the provisions of the contract, should not be given if the Government considers the case a proper one for the recovery of money contributed. If a demand for the repayment of money is made, it is made only because the Government deems that it has a legal right to repayment, and if not thereafter paid, it would have to be referred to the General Accounting Office for collection.

Once a termination of the contract has been made under the provisions of the contract, without at the same time demanding repayment of money contributed, it is my opinion that any right that may have existed to demand and collect repayment is at least seriously jeopardized, and may provide the Operator with a good defense to any subsequent demand for repayment.

In a proper case for requiring repayment of money contributed, notice of termination should not be given under the provisions of the contract, but notice of rescission should be given for breach of the contract coupled with a demand for the repayment of money contributed.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund/emd

Copy to: Docket (2)
L. G. Houk(2)
F. E. Johnson
J. L. Hofflund
chron.

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

March 4, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Field Team, Reg. VII

Subject: DMEA-2725, Idm-E 480 (mica). Forest City Mining Company
Old Mauney Mine, Cleveland Co., N. C.

Your letter of March 2 and Notice of Termination for the subject exploration contract have been received.

We have an appointment with the Operator for our field examiners to inspect the Old Mauney Mine on March 10. At that time a decision as to what may be done at this mine will be made. Therefore, the termination notice will be held in this office at least until we receive the examiners' report.

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:
Hirsch
Hoffman
Chandler

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

OCT 12 1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared..." No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say "...we evidently misunderstood the language (of the termination notices), for we assumed that the Government was preserving the right to repayment for work already done..." Payment by whom?

R.C.J.

If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: "...we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. Ordinarily DMEA treats further operations by a new operator as an entirely new project without liability for past operations which did not result in a certification of discovery or development. However, in some cases where the second operator would derive unusual benefit from the Government's contribution under the original contract he may be required to assume liability for such contribution if certification is made.

IV

With respect to an operator who has abandoned the property you say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous except where the Government terminates the contract. Under the provisions of the contract the operator can be relieved from the royalty obligations only by "...complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract..." If the Government terminates it waives all claim for damages on account of the abandonment.

V

You say: "It is not clear to us why one type of action was taken for these two contracts (Robert Baker and Forest City), and entirely different actions taken in terminating (the other contracts)..." The method of terminating contracts must depend upon the facts in each

case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/6)

Approved:

J. H. Hedges (2/6)
Member, Bureau of Mines

Thor H. Kiilsgaard (2/6)
Member, Geological Survey

LGHouk/JLHofflund/
LGHouk:gad 10/6/54

Copy to: Admr. R. File
Operating Committee
Docket - 4
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk - 4
Mr. Hofflund - 2

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

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

Re: Docket No. DMEA-2646 - Mica
Robert Baker
Zinnimon Mine
Mitchell County, North Carolina

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared . . ." No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say ". . . we evidently misunderstood the language [of the termination notices], for we assumed that the

Government was preserving the right to repayment for work already done . . ." Payment by whom? If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: ". . . we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. It has been the policy of DMEA to treat further operations by new operators as an entirely new project without liability for past operations which did not result in a certification of discovery or development.

IV

You say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous. Under the provisions of the contract the operator can be relieved from the royalty obligations only by ". . . complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract . . ."

V

You say: "It is not clear to us why one type of action was taken for these two contracts /Robert Baker and Forest City/, and entirely different actions taken in terminating /the other contracts/ . . ." The method of

terminating contracts must depend upon the facts in each case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, as in the Mundy and Thomas case, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JLH)

Approved:

J. H. Hedges

Member, Bureau of Mines (JLH)

Thor H. Kiilsgaard

Member, Geological Survey (JLH)

LGHouk/JLHofflund/emd 9/28/54
Copy to: DMEA Docket (4)
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk (2)
Mr. Hofflund
chron.
pending

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 17, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-2646, Idm-E444 (mica) Robt. Baker, Zinniman Mine
DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Old Mauney Mine

Reference is made to a memorandum dated August 20 from the Executive Officer, Region VII, to the Operating Committee which Mr. Houk has submitted to this office on a routing slip dated August 25, received here September 2, asking us to prepare an answer. The memorandum from the Administrative Officer asks why in terminating certain contracts the Government's royalty rights are preserved in one case and not in another.

This office does not and cannot determine when royalty rights are to be preserved in connection with the termination of contracts. The answer should be prepared in the Commodity Division, and this office will review it if that seems desirable.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

JLHofflund:bbh 9-17-54

Copy to: Mr. Houk
DMEA Docket
Solicitor's Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM [illegible] BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

August 20, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: DMEA-2646, Idm-E 444 (mica) Robt. Baker, Zinniman Mine

DMEA-2725, Idm-E 480 (mica) Forest City Mining Co.
Old Mauney Mine

Reference is made to your letter of August 17, concerning termination of these contracts.

At the time the termination agreements were prepared, we evidently misunderstood the language, for we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators. As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing only a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts.

It is not clear to us why one type of action was taken for these two contracts, and entirely different actions taken in terminating DMEA-2873, Idm-E 562 (Empire Mica Co.) with royalty rights preserved, or in rescinding DMEA-3099, Idm-E 609 (Mundy and Thomas) with demand for repayment, both of which were similar to these two except that DMEA-2873 was not abandoned.

Robert A. Laurence

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

Wm. A. Beck

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

Docket Copy
Surname:

Lawrence G. Houk

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

1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinnman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

The termination agreement merely preserves the right to certify. It does not provide for repayment without certification. In this connection see DMEA Circular 33 and the alternative provisions 5 and 5' in form "Termination Agreement" attached to that circular. As we now know that these projects will not be certified because no discovery or development was made, there is no obligation on the part of anyone to repay the Government.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JHB)

Approved:

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

D. M. Larrabee (JHB)
Member, Geological Survey

LGHouk:LGHouk:gad 8/16/54
Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

Docket Copy
Surname:
Houk
Chandler
Porter
Martin

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

INTERIOR DEPT.
AUG 10 1954
SOLICITOR

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimriman Mine
Mitchell County, North Carolina
Contract No. IDm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. IDm-E460

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

Since no certification of discovery or development has been made on the subject properties, there is no lien on the property for repayment to the Government for its contribution to the exploration work.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

LGHouk:gad 8/6/54
Copy to: Admr. R. File
Docket File (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

Defense Minerals Administration
RECEIVED
JUL 30 1954

July 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: [illegible], John-E Lib(mine) Robert Baker (Kinglsen Mine) Mitchell County, N. C. and [illegible], John-E Lib (mine) Pawnee City Mining Company (Old Murphy Mine) Cleveland County, N. C.

Reference is made to the Notice of Termination on the subject contracts. In these terminations it is stated that "All rights of the Government with respect to Certification of discovery or development, percentage royalty, and lien for payment as provided in the contract, are preserved." We would like clarification on this statement. As no certification of discovery or development has been made, and none can be made as no ore was discovered, is the Government still entitled to a royalty on production should another Operator take over the property and produce mica?

Robert A. Lawrence

RAL/em

cc:
Book
Lynch
Oper. Com. Div. File
Files

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

Project Summary Report

By: Walter C. Anderson April 16, 1954

1. DMEA Docket No. 2725 - Mica
Contract No. Idm-E480
Old Mauney Mine
Cleveland County, North Carolina

Operator: Forest City Mining Company
Box 165
Forest City, North Carolina

Operator's property rights:
Lease for 3 years - dated September 15, 1952.
Owner's Consent to Lien - dated October 8, 1952.

2. Contract - dated January 27, 1953.

Work authorized:

Bulldozing shaft site - 20 hrs. @ $10.00/hr.	$ 200.00
Shaft sinking 80 ft. @ $50.00/ft.	4,000.00
Drifting and/or crosscutting 90 ft. @ $35.00/ft.	3,150.00
Total authorized cost	$7,350.00
Government participation @ 90%	$6,615.00

Amendments - No. 1 7/6/53 - Extends completion date from 6 months to 10 months.

Work completed:

Bulldozing shaft site	$ 89.00
46 ft. of shaft @ $50.00/ft.	2,300.00
Total project cost	$2,389.00
Government participation @ 90%	$2,150.10

Contract work started February 16, 1953, and was terminated for cause on March 1, 1954, before completion.

3. Audit - Report of Review, dated April 6, 1954.

Total accepted cost	$2,389.00
Government participation	$2,150.10

4. Certification of Discovery - none issued.

5. Comments:

How conducted -
1. Low efficiency.
2. Operator exhibited no interest, worked only when they pleased and when convenient. Abandoned project when shaft was only about half completed.

Operation -
1. Bad
2. During time when work was subcontracted, a workman was killed because of carelessness.

Engineering - bad, reports were very inadequate.

Geological premises - whether right or wrong cannot be determined since target was not reached.

Geological criteria on which work was based:
1. Well zoned pegmatite 15 ft. thick, worked along the strike for 50 ft.
2. $2,800 worth of good quality mica sold during World War II.

Criteria developed during project - none.

Future possibilities - resumption of work by responsible operator is possible, as bottom of shaft is in good condition.

Recommendations:

DMEA - 1. Obviously no certification of discovery.
2. None of the partners in the company should be considered for another contract.
3. Consideration be given to responsible operator, should one apply for a project.

Bureau of Mines
No certification of discovery.

Geological Survey
Concurs.

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

April 8, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725

Contract Number: Idm-E480

Applicant: Forest City Mining Company

Name and Location of Property: Old Mauney Mine
Cleveland County, North Carolina

Date of Field Team Final Report: March 24, 1954

Date Rec'd. by Ceramic & Fert. Mats. Br.: March 30, 1954

Field Team Recommendation:

1. No certification of development or discovery, but $2,150.10 spent by Government should be recovered.

Comments:

1. Objective of this project was not reached.
2. Exploration was repairing shaft site and sinking 46-foot shaft. At this point, project was abandoned.
3. Expenditures - Total approved $7,350.00
Total cost 2,389.00
Government's share 2,150.10
Value None
4. A man was killed at this mine because of carelessness.

Recommendation:

It is recommended that no certification of discovery or development be issued on this mine.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

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

Defense Minerals Administration
RECEIVED
31 1954

March 30, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, N. C.
Name of property: Old Mauney Mine.
Location of property: Near Shelby, N. C.
Date of field team report: March 18, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:
Project terminated for cause March 1, 1954.

"Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered."

"Work was conducted on this project only during those times when it was convenient to the Operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration."

Comments: None.

ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

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

Defense Minerals
MAR 26 1954

March 24, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Final Report, DMEA-2725, Idm-E 480(mica) Old Mauney Mine. Forest City Mining Company, Forest City, N. C.

Enclosed are 4 copies of the final report on the subject exploration contract which was terminated on March 1 because of Operator's failure to fulfill the contract.

Although it is obvious that no discovery was made, the Government's interest should be protected, in case another Operator deepens the shaft to the original target. In this case, as in DMEA-2524, 2610 and 2646, it is our opinion that the $2,150.10 spent by the Government should be recovered.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Reviewed by
DMEA OPERATING COMMITTEE
3-31-54
(date)

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

12 3 1954

GOS
5/4/54

FINAL REPORT BY FIELD TEAM, REGION VII

On
DMEA-2725, OLD MAUNEY MINE (mica)
Cleveland County, North Carolina

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

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

Dewey H. Amos, Geologist
U. S. Geological Survey

March 18, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-31-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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FINAL REPORT

ON

DMEA-2725, Idm-E 480 (mica)

OLD MAUNEY MINE

Operator: Forest City Mining Company, Box 165, Forest City, North Carolina

The Old Mauney mica mine is on the east side of Little Brushy Creek 4.1 airline miles and 5.5 miles by road N. 37° W. of Shelby, Cleveland County, North Carolina.

The target towards which this project was directed was not reached. The operator abandoned the project after the shaft was sunk to a depth of 46 feet. Should another operator file for exploration assistance on this mine, work could be resumed in the 46-foot shaft as it is in good condition.

This project began February 16, 1953 and was terminated for cause on March 1, 1954. Work accomplished under the contract consisted of preparing a shaft site ($89), and sinking a timbered, 2-compartment, 5' x 7' shaft to a depth of 46 feet. At this point the project was abandoned; the operators used as the excuse for abandoning - a heavy flow of water and raveling of shaft back of the cribbing. Neither excuse is valid.

The shaft is located about 15feet south of the outcrop of an east-west trending pegmatite. The dip is steep and to the south. The shaft is entirely in mica gneiss and schist, the bottom 15 feet of which required shooting.

Expenditures:

(a)	Total approved	$7,350.00
(b)	Total cost of project	2,389.00
(c)	Government's share of cost	2,150.00
(d)	Government's share unexpended	4,464.90
(e)	Value of production during project	None

Work was conducted on this project only during those times when it was convenient to the operator. In May 1953 during a period when the Operator was subcontracting the project, a workman was killed on the project because of carelessness. Certainly no future application from any member of the Forest City Mining Company should receive favorable consideration.

March 18, 1954.

K. H. Teague and W. H. Amos, Geologists
U. S. Geological Survey

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

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 8, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
MAR 27 1954

March 15, 1954

Memorandum

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

From: DMEA Field Team, Region VII

Subject: DMEA-2725, Idm-E 480 (mica) Forest City Mining Co.
Old Mauney Mine, Cleveland County, N. C.

The Operator was sent on this date a Notice of Termination of subject exploration contract.

The Field Examiners inspected the shaft while it was unwatered on March 10, 1954. There is about one foot of silt in the bottom of the shaft that has raveled from back of the timbers, otherwise, the shaft is in very good shape. Timber extends within two feet of the bottom and at only one place, about 6 feet from the bottom, was raveling back of the timber. At this place, a two-foot caved zone occurs back of the southeast corner of the shaft. It is the examiners opinion that, with a competent mining crew, little difficulty would be encountered in completing this project. The shaft is now at 45 feet and makes considerable water.

The Field Examiners are of the opinion that the Operator has permanently abandoned the project and that further effort to encourage him to work the mine would be wasted. Furthermore, Mr. Ira Vance, who is the only competent miner in the Forest City Mining Co., is physically unable to continue supervising the project. Therefore, the examiners and the Field Team agree to termination.

W. A. Beck

Wm. A. Beck, Acting
Executive Officer, DMEA
Region VII

Benjamin Gildersleeve

Benjamin Gildersleeve, Geologist
U. S. Geological Survey

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 8, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
1 8 1954

March 15, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, DMEA Region VII

Subject: Notice of Termination on DMEA-2725, Idm-E 480 (mica)
Forest City Mining Company, Forest City, N. C.

Transmitted herewith are three copies of the subject termination agreement. The usual distribution of the other copies has been made by this office.

Wm. A. Beck, Acting
Executive Officer, DMEA
Region VII

File Copy
Surname:

Houk
Anderson
Selfridge
Selfridge

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

MAR 2 1954

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

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-3480

Dear Mr. Laurence:

Please find herewith the original and two copies of a Notice of Termination of subject exploration contract which have been signed by the Government.

If this Notice of Termination meets with your approval kindly make the proper distribution of copies.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

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

D. M. Larrabee (DMB)
Member, Geological Survey

Enclosures 3

WCAnderson:gad 2/25/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S. 3-2-54

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

N.S. in A.P.

February 16, 1954

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

There are attached notices of termination for the subject contracts under the provisions thereof.

The facts of these two cases are very similar. Both contracts were on the short form, were for exploration for mica on leased ground and provided for 90% Government contribution toward total estimated costs approximating $7,300. In each case the Operator abandoned the operations after approximately one-third of the work had been performed, and appears to be in default under his lease. In one case the Operator cannot be located, and in the other case the Operator has ignored recent communications from the Field Team concerning continuation of the work.

Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose.

This memorandum and the proposed notices of termination are being routed through the Commodity Division for its approval.

J. L. Hofflund

HCRubin/JLHofflund/emd
Copy to: Docket (2)
L.G.Houk (2)
J.L.Hofflund
H.C.Rubin
Attachments
chron.

J. L. Hofflund
Chief Counsel

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

140

February 16, 1954

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-2444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-2480, Forest City Mining Company

There are attached notices of termination for the subject contracts under the provisions thereof.

The facts of these two cases are very similar. Both contracts were on the short form, were for exploration for mica on leased ground and provided for 90% Government contribution toward total estimated costs approximating $7,300. In each case the Operator abandoned the operations after approximately one-third of the work had been performed, and appears to be in default under his lease. In one case the Operator cannot be located, and in the other case the Operator has ignored recent communications from the Field Team concerning continuation of the work.

Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose.

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HCRubin/JLHofflund/emd
Copy to: Docket (2)
L.G.Houk (2)
J.L.Hofflund
H.C.Rubin
Attachments
chron.

J. L. Hofflund
Chief Counsel

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

January 21, 1954

Mr. George R. Morrow
P.O. Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E 480 (mica)
Forest City Mining Company
Old Mauney Mine

Dear Mr. Morrow:

Mr. Teague and Mr. Shirley expect to be in Cleveland County about February 10, and would like to make the examination of the Old Mauney Mine which was postponed in November because of Mr. Vance's illness. Will you please advise me whether Mr. Vance or another representative of the company, will be able to meet them at that time? If so, it will be necessary to have the shaft pumped out, so that it can be examined.

Very truly yours,

Robert A. Laurence, Executive Officer
DMEA Field Team, Reg. VII

RAL/xm
cc:
Beck
Lynch
Opr. Com.
Files

FILE COPY
SURNAME:

Anderson

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

January 18, 1954

Memorandum

To: Chief Counsel

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Transmitted herewith is the official docket and our Division file for your reference in reviewing the status of the subject contract.

You will note the Field Team reports that it appears this project has been abandoned. Hoist, air compressor, pumps and camp equipment have been moved from the mine site. The contract is less than one-half completed and no work has been done since about August 15, 1953, although the exploration contract, as amended July 6, 1953, calls for completion by November 27, 1953.

The Operator apparently has ignored the requests and warnings in two letters by Region VII Field Team, dated November 17 and 24, 1953. Please note that the Field Team reminded the Operator that there is no present reason to believe the objectives of this work are not as good now as they were when the contract was signed, and warned the Operator that unless work was resumed, the contract would have to be considered in default.

It is our desire to take definite action at this time to end this inactivity. We are, therefore, referring the matter to your office for determination of the proper course of action.

W. C. Anderson
Nonmetallic Minerals Division

Attachments 2

WCAnderson:gad 1/18/54
Copy to: Admr. R. File
Docket File
Mr. Houk

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No progress can be reported on this contract. No attempt has been made by the operator to resume operations and the same conditions exist as reported in the last Interim Report.

Mr. Robert A. Laurence, Executive Officer of DMEA, Region VII, accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

December 2, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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NOV 18 1953

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 6.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

It appears that this project has been abandoned. Hoist, air compressor, pumps and camp equipment have been moved from the mine site. The hoisting frame has been lowered, but is still at the mine. Conversation with the wife of the landowner divulged that equipment was moved on October 29, 1953 and that the operator was giving up the lease.

L. E. Shirley

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

November 4, 1953

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking is still at a standstill on this contract. This visit to the mine found the mine idle and no work has been accomplished since about August 15, 1953. The operator was not contacted and it is not known when sinking will resume.

L. E. Shirley

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

K. H. Teague

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

October 6, 1953

AB

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking is again at a standstill on this project. A note attached to the railing around the shaft stated that the crew was harvesting tobacco and would return to the mine in the early future. The shaft depth is now at 45 feet and contained 23 feet of water. A solid partition has been installed and cribbing completed to at least 18 feet, as suggested at last visit.

L. E. Shirley

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

K. H. Teague

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

September 9, 1953

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

September 2, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Contract No. Idm-E480

The purpose of this amendment is to extend the completion date from June 27 to November 27, 1953, because of the suspension of work at the mine due to an accident.

The Nonmetallic Minerals Division concurs in the amendment as written and executed by the Executive Officer, DMEA Field Team, Region VII.

Walter C. Anderson
Walter C. Anderson
Nonmetallic Minerals Division

RECEIVED
SEP 8 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

FILE COPY
SURNAME: 9/3

Anderson
Houk

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

September 2, 1953

N.S. in R.R.

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Contract No. Idm-E480

The purpose of this amendment is to extend the completion date from June 27 to November 27, 1953, because of the suspension of work at the mine due to an accident.

The Nonmetallic Minerals Division concurs in the amendment as written and executed by the Executive Officer, DMEA Field Team, Region VII.

Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 9/2/53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 2 1 1953

INTERIM REPORT

IMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Work resumed on this contract August 10, 1953 and resulting time has been used in getting set up for operations. No additional sinking has been accomplished to date and water was being pumped by an air sump upon arrival at the mine. The new miners on the job were instructed not to use a gasoline pump in the shaft at any time. Several safety recommendations concerning timbering and equipment on hand were made on this visit, and the men appeared cooperative. Sinking is expected to begin within the week.

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

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

August 12, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 12 1953

AB

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 3.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No additional work has been accomplished on this contract since May 13, 1953. A gasoline pump has been removed recently from the mine site and its removal was the only evidence that anybody had been to the mine since the above date except the field examiners consistent visits each two weeks.

L. E. Shirley

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

K. H. Teague

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

July 29, 1953

EXECUTIVE OFFICER
DMEA REGION VII

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED
JUL 22 1953

July 20, 1953

Memorandum

To: Chairman, Operating Committee, DMEA - Washington

From: Executive Officer, DMEA Field Team, Region 7

Subject: Signed Amendments.

Transmitted herewith are three signed copies each on the following:

DMEA-2575, Idn-E418 (mica) Conway Revis. Amendment No. 2

DMEA-2790, Idn-E512 (mica) S. W. Presnell Mica Miners. Amendment No. 1

DMEA-2725, Idn-M480 (mica) Forest City Mining Co. Amendment No.1

Robert A. Laurence

mm.
cc:
Beck
Lyne
Finance Office
Laurence

Case 9-15

913

RECEIVED

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking is at a standstill on this project; no work has been accomplished since May 13, 1953. The mine has been visited at two-week intervals, since the above date, by the field examiners. It is reported that operations will resume just as soon as insurance can be obtained by the company.

L. E. Shirley

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

K. H. Teague

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

July 15, 1953

FILE COPY
SURNAME:

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

JUL 6 1953

Rewritten by
Chief Counsl

FEJohnson
Houk
Hoffman
Fudge
Mittenberg

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII
Room 1, Post Office Building
Knoxville 2, Tennessee

Re: Accident Report
dated June 23, 1953
Docket No. DMEA-2725 (Mica)
Contract No. Idm-E480
Old Mauney Mine, N. C.
Forest City Mining Company

Dear Mr. Laurence:

Thank you for your report of June 23 on the subject accident, which resulted in the death of a man working on a DMEA exploration project.

We are greatly disturbed over any such accident on an exploration project, and deeply regret the loss of life in this case. Unfortunately, operators under DMEA projects are not acting as agents for the Government, and the Government has no control over matters of health and safety on projects except under the provisions of the exploration project contracts. The contract in this case provides that:

> "The work shall be performed by the Operator ... in accordance with good mining standards and State regulations for health and safety ..."

If an operator fails to comply with these requirements, the only action that the Government can take is to terminate the contract. In no case can the Government assume any responsibility for an operator's laxity with respect to health and safety requirements.

It is apparent from your report that the Field Team pointed out to the operator certain deficiencies in matters of health and safety the correction of which might have prevented this accident. It is to be regretted that the operator did not follow the Government's recommendations.

We approve of your action, as indicated in your report, that you are notifying the operator that the work is to be completed, but that safety recommendations must be complied with.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

MDA 7-6-53

J. H. Hedges

Member, Bureau of Mines (JHB)

A. R. Kinkel, Jr.

Member, Geological Survey (JHB)

FEJohnson:JLH:ep 7-1-53

Copy to: Mails & Files
Admr. R. File
Oper Comm.
Mr. T. P. Thayer, GSA R-4234
Mr. J. H. Hedges, R-4604
Mr. Houk
Mr. F. E. Johnson
Mr. Hofflund
Mr. Kane
Chron.
Pending

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 1, Post Office Building
Knoxville, Tennessee

June 23, 1953

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Accident Report on DMEA-2725, Idm-E480 (mica) Old Mauney Mine, Forest City Mining Company, Operator. N. C.

On May 13, 1953 a miner was killed at the subject mine. This mine was visited by the field examiners on April 22, May 5, and 20th, and on June 2 and 17, 1953, and was not in operation during any of these visits.

On June 17, 1953 following the visit to the mine, K. H. Teague, and L. E. Shirley, Field Examiners for Defense Minerals Exploration Administration, interviewed Haywood Allen, sheriff of Cleveland County, North Carolina, and J. Ollie Harris, coroner of Cleveland County, N. C. Both were present at the mine shortly after the accident. Also Fred Scoggins, who was present at the time of the accident was interviewed. Opinions and facts supplied by the above individuals are as follows:

Haywood Allen: Arrived at mine a few minutes after the body had been removed from shaft. There was no evidence of foul play. Stated that at time of arrival, there was no sign of life in body of deceased - Harold Dean Burgess. Artifical respiration was applied to deceased, but was unsuccessful. Allen stated that a gasoline power pump was in place between 5 and 10 feet from bottom of shaft (depth of shaft on May 20, 1953 as taped by Teague-42 feet, but Scoggins states that at time of accident shaft was 49 feet deep -Teague). Allen also stated that the exhaust line extended to the surface, but the line was broken a few inches from the motor manifold, allowing exhaust fumes to escape in the shaft. One of the men (Mr. Poston) who helped remove the victim's body was almost overcome by fumes while in the shaft.

J. Ollie Harris: Arrived at mine approximately 30 minutes after accident happened (copy of Mr. Harris' report is attached). Harris' observations are similar to Allen's. He observed the broken exhaust line and the location of the gasoline powered pump in the shaft. Although it is not

recorded in the attached report, Mr. Harris reports that the victim had a severe bruise on the back of his head, probably caused when he fell from the ladderway into the shaft. Also, he stated that the body had a distinctively reddish color, suggesting the presence of carbon monoxide.

Fred Scoggins: Two men were at the mine at the time of the accident, Scoggins and the victim. Mr. Scoggins stated that he and the victim had both been working in the shaft and that he (Scoggins) felt faint, and climbed the ladder to the surface. His observation was that he could not get his breath. He stated that he sat down to rest and as he did not hear the victim making any noise in the shaft, went to the shaft collar to find out what was wrong. Scoggins stated that when he looked down in the shaft the victim was standing on the bottom landing of the ladderway, leaning with his head on his hands against the wall. When Scoggins asked what was the trouble, Burgess stated that he felt like he was going to faint. Scoggins told Burgess to get in the muck bucket and he would hoist him to the surface. When Burgess tried to get in the bucket he fell. (Fall was probably less than 10 feet). Scoggins climbed down the ladderway, tied a line around Burgess and to hoist cable, came up the ladderway and tried to hoist Burgess from the shaft. Scoggins thinks that the line slipped before the victim was lifted off the bottom of the shaft. Scoggins then drove to a nearby residence (about 1/4 mile) secured assistance, returned and removed the body from the shaft. He is not sure as to the total time that the body remained in the shaft, but thinks that it was between 15 and 25 minutes. Scoggins states that they hit a pocket of gas which caused all of the trouble. (This is also the opinion expressed by Ira Vance, Forest City Mining Co.). Scoggins stated that there was approximately two feet of water in the shaft at the time of the accident.

Summary The Field Examiners have visited this project seven times since it began on February 15, 1953. During the visit on February 24, the examiners pointed out to Mr. Ira Vance the necessity of following certain safety requirements. Points especially discussed were the use of gasoline pumps in shafts and the need for lagging between the hoist and manways. These points were re-emphasized during a visit to the project March 26, 1953. Since that time the project has been inactive during all our visits.

There seems to be little doubt as to the cause of the accident. Apparently the victim became unconscious from exhaust fumes and drowned before he could be removed from the shaft. The accident could have been prevented had the Operator followed the Field Examiners recommendations. Therefore, it appears that the responsibility for the accident rests entirely with the Operator. Operator is being notified that he is expected to resume operations and complete the contract, but that the safety recommendations must be complied with.

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

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

Dated June23, 1953
KHT/zm

Copy of report filed in Clerk of Superior Courts office, Shelby, N.C.

State of North Carolina,
County of Cleveland.

Be it remembered that on the 13th day of May 1953

I, J. Ollie Harris, Coroner of Cleveland County, did hold an investigation over the dead body of Harold Dean Burgess whose death occurred in Number 6 Township, Cleveland County. After investigating the facts and circumstances of the death of the deceased and from a view of the corpse, and a consideration of the circumstances and available evidence, finds as follows:

That the deceased came to his death from Drowning. Became overcome with monoxide poisoning. Fainted + fell in water. No evidence of foul play. (Happened in Mica Mine on S. S. Mauney farm above Dover Mica, Shelby.

J. Ollie Harris
Coroner For Cleveland County.

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

Room 1, Post Office Building
Knoxville, Tennessee

June 23, 1953

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Accident Report on DMEA-2725, Idm-2450 (mica) Old Mauney Mine, Forest City Mining Company, Operator. N. C.

On May 13, 1953 a miner was killed at the subject mine. This mine was visited by the field examiners on April 22, May 5, and 20th, and on June 2 and 17, 1953, and was not in operation during any of these visits.

On June 17, 1953 following the visit to the mine, K. H. Teague, and L. . Shirley, Field Examiners for Defense Minerals Exploration Administration, interviewed Haywood Allen, sheriff of Cleveland County, North Carolina, and J. Ollie Harris, coroner of Cleveland County, N. C. Both were present at the mine shortly after the accident. Also Fred Scoggins, who was present at the time of the accident was interviewed. Opinions and facts supplied by the above individuals are as follows:

Haywood Allen: Arrived at mine a few minutes after the body had been removed from shaft. There was no evidence of foul play. Stated that at time of arrival, there was no sign of life in body of deceased - Harold Dean Burgess. Artifical respiration was applied to deceased, but was unsuccessful. Allen stated that a gasoline power pump was in place between 5 and 10 feet from bottom of shaft (depth of shaft on May 20, 1953 as taped by Teague-42 feet, but Scoggins states that at time of accident shaft was 49 feet deep -Teague). Allen also stated that the exhaust line extended to the surface, but the line was broken a few inches from the motor manifold, allowing exhaust fumes to escape in the shaft. One of the men (Mr. Poston) who helped remove the victim's body was almost overcome by fumes while in the shaft.

J. Ollie Harris: Arrived at mine approximately 30 minutes after accident happened (copy of Mr. Harris' report is attached). Harris' observations are similar to Allen's. He observed the broken exhaust line and the location of the gasoline powered pump in the shaft. Although it is not

recorded in the attached report, Mr. Harris reports that the victim had a severe bruise on the back of his head, probably caused when he fell from the ladderway into the shaft. Also, he stated that the body had a distinctively reddish color, suggesting the presence of carbon monoxide.

Fred Scoggins: Two men were at the mine at the time of the accident, Scoggins and the victim. Mr. Scoggins stated that he and the victim had both been working in the shaft and that he (Scoggins) felt faint, and climbed the ladder to the surface. His observation was that he could not get his breath. He stated that he sat down to rest and as he did not hear the victim making any noise in the shaft, went to the shaft collar to find out what was wrong. Scoggins stated that when he looked down in the shaft the victim was standing on the bottom landing of the ladderway, leaning with his head on his hands against the wall. When Scoggins asked what [illegible] trouble, Burgess stated that he felt like he was going to faint. Scoggins told Burgess to get in the muck bucket and he would hoist him to the surface. When Burgess tried to get in the bucket he fell. (Fall was probably less than 10 feet). Scoggins climbed down the ladderway, tied a line around Burgess and to hoist cable, came up the ladderway and tried to hoist Burgess from the shaft. Scoggins thinks that the line slipped before the victim was lifted off the bottom of the shaft. Scoggins then drove to a nearby residence (about 1/4 mile) secured assistance, returned and removed the body from the shaft. He is not sure as to the total time that the body remained in the shaft, but thinks that it was between 15 and 25 minutes. Scoggins states that they hit a pocket of gas which caused all of the trouble. (This is also the opinion expressed by Ira Vance, Forest City Mining Co.). Scoggins stated that there was approximately two feet of water in the shaft at the time of the accident.

Summary: The Field Examiners have visited this project seven times since it began on February 15, 1953. During the visit on February 24, the examiners pointed out to Mr. Ira Vance the necessity of following certain safety requirements. Points especially discussed were the use of gasoline pumps in shafts and the need for lagging between the hoist and manways. These points were re-emphasized during a visit to the project March 26, 1953. Since that time the project has been inactive during all our visits.

There seems to be little doubt as to the cause of the accident. Apparently the victim became unconscious from exhaust fumes and drowned before he could be removed from the shaft. The accident could have been prevented had the Operator followed the Field Examiners recommendations. Therefore, it appears that the responsibility for the accident rests entirely with the Operator. Operator is being notified that he is expected to resume operations and complete the contract, but that the safety recommendations must be complied with.

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

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

Dated June 29, 1953
RAL/sm

Copy of report filed in Clerk of Superior Courts office, Shelby, N.C.

State of North Carolina,
County of Cleveland.

Be it remembered that on the 13th day of May 1953

I, J. Ollie Harris, Coroner of Cleveland County, did hold an investigation over the dead body of Harold Dean Burgess whose death occurred in Number 6 Township, Cleveland County. After investigating the facts and circumstances of the death of the deceased and from a view of the corpse, and a consideration of the circumstances and available evidence, finds as follows:

That the deceased came to his death from Drowning. Became overcome with monoxide poisoning. Fainted + fell in water. No evidence of foul play. (Happened in Mica Mine on S. S. Mauney farm above Dover Mill, Shelby.

J. Ollie Harris
Coroner For Cleveland County.

Copy of report filed in Clerk of Superior Courts office, Shelby, N.C.

State of North Carolina,
County of Cleveland.

Be it remembered that on the 13th day of May 1953

I, J. Ollie Harris, Coroner of Cleveland County, did hold an investigation over the dead body of Harold Dean Burgess whose death occurred in Number 6 Township, Cleveland County. After investigating the facts and circumstances of the death of the deceased and from a view of the corpse, and a consideration of the circumstances and available evidence, finds as follows:

That the deceased came to his death from Drowning. Became overcome with monoxide poisoning. Fainted + fell in water. No evidence of foul play. (Happened in Mica Mine on S. S. Mauney farm above Dover Mill, Shelby.

J. Ollie Harris
Coroner For Cleveland County.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5B, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 22, 1953

Forest City Mining Company
c/o Ira Vance
Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E480 (mica)
Old Mauney Mine

Dear Mr. Vance:

Our field examiners visited the Old Mauney Mine on June 17, 1953, and again found no activity at the project. In fact, the shaft is no deeper now than it was on April 22.

This is to remind you that the exploration contract is a firm contract requiring completion of the project to the stated objective and at the agreed unit costs set forth in exhibit "A" of the contract.

Please advise this office when you intend to resume operations. Under the terms of the contract, it is to be completed July 27, 1953, but this can be extended by amendment.

Before the shaft can be sunk any deeper, however, the safety recommendations must be complied with. Specifically you must not use a gasoline pump in the shaft and there should be lagging between the hoist and the manways. Please refer to the enclosed list of safety recommendations.

Very truly yours,

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

RAL/sm
cc:
Beck
Lynch
Files
Opr. Com.

INTERIM REPORT

IMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No additional work has been accomplished on this job since the last interim report of June 3, 1953. The shaft is filled with water and measurement indicates no progress. The Field Examiners were again unable to contact the operator.

A fatal mine accident was reported as occurring on May 13, 1953. The Field Examiners contacted the contractor, Fred Scoggins, the sheriff of Cleveland County, N. C. and the coroner of Cleveland County, N. C. during the visit to this area. A detailed report on this accident is being prepared and will be submitted upon completion by the Knoxville Office.

L. E. Shirley

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

June 17, 1953

K. H. Teague

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

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNRY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

No work has been accomplished on shaft sinking during the past month. The Field Examiners were unable to contact the operator to find out just when work will resume.

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

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

June 2, 1953

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

June 4, 1953

Memorandum

To: Mr. L. O. Houk, Chief Non Metallic Minerals Div. DMEA

From: Executive Officer, D M E A - Region 7

Subject: DMEA-2725, Ida-Elbo, Old Mauney Mine (mica)
Forest City Mining Co., Operator

Enclosed herewith is a copy of the Operator's reply to my letter of May 26 requesting details of a fatal accident at the subject exploration project. Mr. Teague and Mr. Shirley visited the project on June 2, and we will have a more complete report when they return to the office Monday, provided they had better luck in finding someone around the job than they have had on the three previous visits. Messrs. Teague and Shirley were instructed to insist upon suspension of work at the project until hazardous conditions were eliminated.

Robert A. Laurence

RAL/ss

cc:
Peck
Larrabee
Lynch
Opr. Com.
Files

COPY
(sic) sm

COPY

Mr. Ira Vance
Forest City Mining Company
Pineola, North Carolina
June 1, 1953

United States Department of The Interior
Room 13
Post Office Building
Knoxville 2, Tennessee

Re: DMEA-2725, Idm-E180
Old Mauney Mine (Mica)

Dear Mr. Laurence

In reply to your letter of May 26, inquiring as to the accident at the above mine, we wish to state that the work was being done under a contract with Mr. Fred Scoggins, an independent contractor of Avondale, North Carolina.

From the facts we were able to gather, it appears that he and his companion struct some kind of gas in the mine, which overcame Mr. Burgess. Mr. Burgess slipped through a rope while Mr. Scoggins was attempting to get him out. He fell into water approximately two feet deep, where he drowned. The type of gas has not been determined other than the fact it was not carbon monoxide gas.

If you desire any additional information, please advise.

Yours truly

s/ Ira Vance

copied by sm.
cc:
Beck
Lynch
Opr. Com.
Houk
Files
Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DOCKET COPY

~~WASHINGTON 25, D.C.~~

Room 13, Post Office Building
Knoxville 2, Tennessee

May 26, 1953

Mr. Ira Vance
Forest City Mining Company
Pineola, North Carolina

Re: DMEA-1725, Idm-2480
Old Mauney Mine (Mica)

Dear Mr. Vance:

According to our records, the exploration project on the Old Mauney Mica Mine, Cleveland County, North Carolina, began on February 15, 1953. At the time our field man last visited the project, the shaft had been sunk to a depth of 42 feet.

Visits were made to the project on April 22, May 5, and May 20, 1953. Only 4.5 feet of shaft was sunk during this interval and no work was in progress during any of the three visits.

At the time of the last visit our field man was informed by the local people that an accident occurred at the mine on May 12, 1953, resulting in the death of a workman. Please provide this office with a complete report of the accident, including the causes and conditions resulting in the accident. If it was due to failure to correct unsafe or hazardous conditions, all work should remain suspended until these conditions are corrected. Please note article 3 of the contract which provides that the work is to be performed "..... in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance ....."

Your early attention to this will be appreciated.

Very truly yours,

Robert A. Lawrence
Executive Officer
DMEA Field Team, Region VII

RAL/mg
cc:
Beck
Lynch
files
Operating Committee
Larrabee

MAY 27 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Bruchy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking continues slowly on this project and is now at 41.5 feet. No work was being done at time of visit and shaft was filled with water. Recent heavy rains in this section of the state has retarded ~~open~~ projects and shaft sinking.

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

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

May 5, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 4 1953

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking continues at this mine and is now down to 37½ feet. Measurements indicate very little work for this month to date. No one was at the mine and operator could not be contacted. It is anticipated that work will begin again soon.

The mine has begun to make water and 8 feet was measured in the shaft. Both pits nearby contained from 2' to 6' of water, indicating no recent pumpage. Dump material observed was principally a hard micaceous schist.

L. E. Shirley

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

K. H. Teague

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

April 22, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

DOCKET COPY

April 10, 1953

Mr. Ira Vance
Forest City Mining Company
Box 165
Forest City, North Carolina

Re: DMEA-2725, Idm-E-480
Old Mauney Mine (Mica)

Dear Mr. Vance:

Your March voucher and monthly report have been received, and approved for payment. Please note that you failed to carry over totals of $89.00 for bulldozing from the February voucher, so that the "Totals previously reported" should be $1339.00, and "Totals to date" should be $1839.00. Please make these corrections on your copy of both 104 and 104A and carry them in the totals of your future reports.

This does not affect the "Monthly Total" for March, which is approved for payment of 90% of $500, or $450.00.

The items on Form 104A, under the first column, "unit" should be "foot" where you have written "35".

Very truly yours,

Robert A. Laurence
Executive Officer
DMEA, Region VII

RAL/mg
cc
Beck
Lynch
Files
Operating Committee

BL

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 8 1953

INTERIM REPORT

IMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

Shaft sinking on this project continues and is now down to 24 feet. Very little work was accomplished during the month because of bad weather and sickness among the employees. The last 10 feet of shaft sinking has been in soft silty material and has been cribbed solid with 2" x 6" sawed timbers. Intermittent pumpage of water from the shaft is necessary while men are working. Two old pits, to the NW and SW of the shaft location, were partially filled with water and it was suggested that these pits be kept dry to prevent seepage into the shaft.

Mr. W. A. Beck, a member of the Field Team, Region VII, accompanied Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

March 26, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1953

INTERIM REPORT

DMEA-2725 Idm-E480 (mica) OLD MAUNEY MINE

OPERATOR: Forest City Mining Company, Box 165, Forest City, N. C.

LOCATION: Along the eastern side of Little Brushy Creek, 4.1 air-line miles and 5.5 miles by road N 37° W of Shelby, Cleveland County, North Carolina.

This project began work on February 16, 1953. Initial work, which consisted of bulldozing for shaft site, has been completed and required less than 10 hours of machine work. Shaft sinking in an acceptable location had begun and was down to 18 feet. Work is supervised by Ira Vance, one of the partners, and is progressing satisfactorily. Some timbering had been accomplished and work on a separate manway will begin in the near future. The shaft was cribbed for about two feet from the surface with round logs. Material encountered in sinking consists principally of a micaceous schist. Water from abandoned open pits northeast and southwest of the present shaft location are being pumped periodically to keep the water down. No water has been encountered to date in shaft sinking. Random recommendations were made concerning pumpage and safety factors. Monthly vouchers and reports were discussed at length with the operator.

L. E. Shirley

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

K. H. Teague

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

February 25, 1953

FILE COPY
SURNAME:

Feitler
Nutt

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

FEB 19 1953

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-2480

Dear Mr. Thomason:

Reference is made to the subject exploration contract.

Enclosed are your lease and lease assignment which are being returned to you as requested in your letter of December 11, 1952.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 2

SAFeitler:gad 2/17/53

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1953

February 12, 1953

Memorandum

To: Chairman, Operating Committee, D M E A -Washington

From: Acting Executive Officer, DMEA - Region 7

Subject: Signed Contract - DMEA-2725, Idm-E480, Forest City Mining Co. (Mica) North Carolina.

Transmitted herewith are three signed copies of the above subject contract.

A copy was retained by the Operator, one by the Field Team, and one sent to the Regional Finance Officer.

Wm. A. Beck

Wm. A. Beck

Coe
2-16-53

FILE COPY
SURNAME:

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

JAN 27 1953

Hmp
Selfridge

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

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Laurence:

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

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

The amount of the Government's contribution has not been inserted in Paragraph 2 of the Owner's Consent to Lien. This may be left blank.

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

Sincerely yours,

J.H. 1-27-53

George C. Selfridge (GHB)

Chairman, Operating Committee

Approved:

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

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

LFHearne/SAFeitler:fls/1/21/53
LGHouk/pa 1/23/53

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

Enclosures 6

FILE COPY
SURNAME:

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

600

JAN 27 1953

Feitler
Houk
Hoffman
Jackson

Mr. Robert A. Laurence
Executive Officer, DMRA
Field Team, Region VII
Room 12, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. DMRA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval, present it to the Operator for his approval and signature, after inserting the starting time in Article 3 of the contract and after the operator has inserted maximum amount of the Governments contribution on the Owner's Consent to Lien. If any provisions are unsatisfactory to the Operator, return all copies to this office along with suggested changes for consideration. Please explain to the Operator that this is a firm contract and that he is obligated under the terms of the contract to complete the work outlined at the agreed unit cost.

After signing of the contract, one copy is to be given to the Operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

LFHearne/SAFeitler:fls 1/21/53

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

Enclosures 6

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

JAN 27 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina

10/1/52	Received application dated September 20, 1952.
10/13/52	U. S. B. M. recommends field examination.
10/15/52	U. S. G. S. recommends field examination.
10/17/52	Referred to Field Team, Region VII.
10/22/52	Field Team recommends contract.
11/10/52	Letter to applicant requesting that lease be signed by lessors.
11/12/52	U. S. G. S. recommends contract.
11/17/52	U. S. B. M. recommends contract.
12/9/52	Letter notifying applicant that docket will be closed unless requested lease is received by January 10, 1953.
12/23/52	Received signed lease.
1/5/53	Received approved contract from Legal.
1/16/53	Contract with letter of transmittal to Operating Committee.

FILE COPY
SURNAME:

Feitler
Houk
Hoffmann

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

600

Memorandum

To: Administrator JAN 27 1953

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMMA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina

10/1/52 Received application dated September 20, 1952.
10/13/52 U. S. B. M. recommends field examination.
10/15/52 U. S. C. S. recommends field examination.
10/17/52 Referred to Field Team, Region VII.
10/22/52 Field Team recommends contract.
11/10/52 Letter to applicant requesting that lease be signed by lessors.
11/12/52 U. S. G. S. recommends contract.
11/17/52 U. S. B. M. recommends contract.
12/9/52 Letter notifying applicant that docket will be closed unless requested lease is received by January 10, 1953.
12/23/52 Received signed lease.
1/5/53 Received approved contract from legal.
1/16/53 Contract with letter of transmittal to Congressional Committee.

SAFeitler:fls 1/19/53

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

FILE COPY
SURNAME:

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

Hearne
Mattendorf

DEC 17 1952

Mr. J. L. Thomason
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Receipt is acknowledged of your letter of December 11, 1952, and lease on the Mauney Mine.

To validate this lease it must be signed by you and Mr. Ira M. Vanse, the lessees, as well as by Mr. and Mrs. Mauney, the lessors.

Please add these signatures on the two lines marked "X" on the enclosed form and mail a copy of it to this office. Also, please advise the book and page number on which the deed covering the leased property is recorded in the Register of Deeds of Cleveland County, as the lease description is not sufficiently detailed for its identification.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

12-17-52

Enclosure

LFHearne:gad 12/17/52

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

GEORGE R. MORROW
Attorney & Counselor at Law
Box 165
FOREST CITY, N. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 15 1952

December 11, 1952

United States
Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Attention: Mr. C. O. Mithendorf, Administrator

Dear Sir:

As requested in your letter of November 10th, we forwarded to Knoxville the original assignment of the mining lease from two of the partners to the Forest City Mining Company and we are with this letter forwarding the original mining lease. After you have examined same, we would appreciate your returning it to us.

Any suggestions that you might have on how we might expedite the approval of our application will be greatly appreciated.

Yours very truly,

J. L. Thomason

J. L. THOMASON /sl

JLT:sar

Enclosures 2

one copy mining lease rec'd. 12-16-52 nonmetallic Min.

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

DEC 9 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

A review of your application as styled above, dated September 20, 1952, reveals that a letter dated November 10, 1952, requests that either the original or a certified copy of your lease, properly executed by both lessors and lessees be forwarded to this office.

Nothing further has been heard from you and we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time, but if the requested document has not been received by January 10, 1953, we will then consider the docket closed.

Sincerely yours

SIGNED

Administrator

FILE COPY
SURNAME:

Hearne
Houk

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

DEC 9 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

A review of your application as styled above, dated September 20, 1952, reveals that a letter dated November 10, 1952, requests that either the original or a certified copy of your lease, properly executed by both lessors and lessees be forwarded to this office.

Nothing further has been heard from you and we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time, but if the requested document has not been received by January 10, 1953, we will then consider the docket closed.

Sincerely yours

C. O. Mittendorf (for) JH. 12-9-52

Administrator

LFHearne:fls 12/9/52

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

FILE COPY
SURNAME:

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

600

Hearne
Houk
Mutterdy

DEC 12 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County
North Carolina

Dear Mr. Thomason:

This office has received an assignment of lease from J. L. Thomason and Ira Vance to the Forest City Mining Company. The description of the leased property in the assignment is not sufficiently in detail to accurately identify the property.

Please advise the deed book number and page number on which the deed to the leased property is recorded in the office of the Register of Deeds for Cleveland County.

Sincerely yours,

SIGNED

Laurence G. Houk, Chief
Nonmetallic Minerals Division

12-18-52

LFHearne:fls 12/11/52

Copy to: Adm. R. File
Docket File
Field Team, Region VII
Mr. Norton, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE DEC 12 1952

REFERRED TO:
1. Code 600 - 4637
2.
3. ~~Area Manager~~
4.

FOR:

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

REMARKS:

Check (X) before the items needing attention.

S.H.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

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

Room 13, Post Office Building
Knoxville 2, Tennessee

December 5, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 8 1952

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, D M E A - Region 7

Subject: Assignment of Mining Lease. Forest City Mining Co. (Mauney Mine) mica. DMEA-2725.

Enclosed are original and 5 copies of the subject assignment which was received in this office today.

Robert A. Laurence

Robert A. Laurence

6.

Forest City Mining Co.
Box 165
Forest City, N. C.
EMEA-2722

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

ASSIGNMENT OF MINING LEASE

This indenture made this 26th day of November, 1952, between Ira Vance and J. L. Thomason of Rutherford County and state of North Carolina as parties of the first part and known as assignors, and the Forest City Mining Company, a partnership consisting of the following partners:

Ira M. Vance, Jim Vance, T. P. Dellinger, James Wise, Jim Thomason and George Morrow, parties of the second part and known as assignees.

WITNESSETH: That the parties of the first part in consideration of the sum of ten dollars and other valuable consideration, does hereby grant, bargain, transfer and assign unto the said Forest City Mining Company all of their interest, right and title to the following described real property in the county of Cleveland and state of North Carolina.

Being a part of the lands known as the Rachel Poston Weathers tract in #6 township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek 1 mile west of the Rachel Weathers Home site; BEGINNING in the center of the present Old Mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

This being the same property leased to Ira M. Vance and J. L. Thomason by S. S. Mauney and wife, Rachel Mauney on the 15th day of September, 1952.

It is understood and agreed that the said Forest City Mining Company takes this transfer with all of the privileges and limitations set out in the lease from S. S. Mauney and wife, Rachel Mauney to Ira M. Vance and J. L. Thomason.

Witness our hands and seals the day and year first above written.

Ira M Vance (SEAL)

J. L. Thomason (SEAL)

Sworn to and subscribed before me this the 26th day of November, 1952.

George R. Morrow
Notary Public
My Comm Exp - June 19, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1952

November 17, 1952
Mr. Hearne

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725, Mica, Old Mauney Mine,
Cleveland County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $7,350.

Brooke L. Gunsallus

Brooke L. Gunsallus

IN REPLY REFER TO:

G-MD-CNM

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

November 12, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 13 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2725 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Forest City Mining Company, Forest City, North Carolina.
Name of property: Old Mauney Mine.
Location of property: East side of Little Brush Creek, 4.1 miles from Shelby, North Carolina.
Date of field team report: October 22, 1952.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field Team's recommendation:

Prepare site and sink 80-foot shaft; drift or crosscut 90 feet on the 75-foot level. Estimated cost is $7,350.

Comments: None.
ACTION SUGGESTED:

Follow field team's recommendation.

R. E. Van Alstine

R. E. Van Alstine

FILE COPY
SURNAME:

Hearne

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

NOV 10 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Reference is made to your application for exploration assistance in Docket DMEA-2725.

The copy of the lease submitted does not show the signatures of your partnership as lessors.

Will you please execute this document properly and forward either the original or a certified copy to this office?

Sincerely yours,

Signed

11-10-52

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LFHearne:gad 11/7/52

Copy to: Adm. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

October 30, 1952

Memorandum

To: Chairman, Operating Committee, DMEA-Washington

From: Field Team, DMEA - Region 7

Subject: Examination Report on DMEA-2725, Old Mauney Mine (mica) Forest City Mining Company --Applicant.

Transmitted herewith are 4 copies of the above subject examination report and 6 extra copies of the map. The Field Team is in agreement with the recommendations set forth in this report.

Robert A. Laurence

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

Wm A. Beck

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 1952

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2725, OLD MAUNEY MINE (Mica)
Cleveland County, N. C.

By

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

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

October 22, 1952

FIELD EXAMINATION
on
OLD MAUNEY MINE (Mica)
Docket No. DMEA-2725

Applicant: Forest City Mining Company
c/o J. L. Thomason, Box 165, Forest City, N.C.

This deposit appears to warrent exploration. Previous mining has exposed a well zoned pegmatite which contains mica of grade suitable for stockpiling.

This mine was examined on October 22, 1952. Mr. George R. Morrow, one of the applicants, accompanied the Field Team on the examination which required three hours. Later, Ira M. Vance, another of the applicants was contacted and the proposed exploration program discussed with him. The proposed program is agreeable to Mr. Vance.

The Old Mauney Mine is located along the eastern side of Little Brushy Creek 4.1 airline miles and 5.5 miles by road N. 37° W., of Shelby, Cleveland County, North Carolina. Access to the mine is good at all times.

Those of the applicants who will conduct the exploration have had much mica-mining experience, especially Ira M. Vance. The company appears to be competent to conduct the project.

Adequate area is covered by the Applicant's lease to provide working and dumping space.

There is some doubt in the Field Team's mind as to the identity of this property. The location and description of the "Old Mauney Mine" as given in Shelby-Hickory District, North Carolina - by W. R. Griffitts part of (unpublished) Professional Paper, Mica Deposits of the Southeastern Piedmont, does not agree with the mine covered by this application. Furthermore none of the mines described in that report conform to the location and workings as they actually are at this place.

There are no surface facilities at this deposit. The mine has been worked from two open cuts, the size and extent are shown on the attached map. The open cuts are flooded to within 15 feet of the surface, but reports indicate that a drift connects the two openings on about the 25-foot level.

The pegmatite has been worked along the strike for a maximum distance of 50 feet. It is now poorly exposed, but appears to strike E-W, dipping from 60° to 90° S. The intrusion is in excess of 15 feet in thickness, consisting of a rather continuous medial quartz rib, flanked by feldspathic pegmatite. The quartz core is 3 to 4 feet thick with about 6 feet of the feldspathic pegmatite on each wall. Feldspathic material in the dump consists of potash and soda feldspar, quartz, and mica. From the information available it appears that the best mica occurs frozen to and in the quartz core. The mica zone is followed by a thin zone of soda feldspar. Blocky potash feldspar occurs between the soda zone and the enclosing wall rock. It would appear from the dumps that sufficient potash feldspar occurs to constitute a recoverable by-product.

The enclosing mica gneiss wall rock trends about N. 60° W., dipping to the northeast.

History of mining activity is incomplete. The mine had been operated prior to World War II, but the amount of production is unknown. During World War II several people operated the mine, including Brack Buchanan, L. A. Lammart, Dr. Story, and others. Lammart is reported to have paid Mr. Mauney royalties on $2800 worth of mica. Since World War II the mine has been inactive.

Mica from this deposit has been classified by the Spruce Pine Mica Depot as of strategic grade, suitable for stockpiling. It is hard, clear, flat "A", ruby colored, and splits well. Because of the "A" structure, the amount of by-product scrap will be high, but considerable pattern mica should be obtained.

The Field Team discussed the Applicants' proposed program with them. Their immediate object for their proposal was designed to begin producing mica immediately or as soon as the old openings were cleamed out and made safe. This mine makes a lot of water at best, and the applicant's proposal would enlarge the collecting basin and probably increase the amount of water. These aspects were discussed with the applicants and they are in agreement that the following recommendation is more suitable.

The Field team recommends that a site be prepared and an 80-foot shaft be sunk along the south side of the open pits at a position approximately as indicated on the attached map and 90 feet of drift or crosscut and drift be driven from the 75-foot level. At the 75-foot level the shaft should be in or very near the pegmatite.

This program of exploration permits all of the openings to be made in new ground and by utalizing the open pits for pumping purposes the amount of water in the proposed shaft and drifts will be greatly reduced.

The estimated costs of the above recommended program are as follows:

Rental of bulldozer, 20 hrs. @ $10/hr.	$200.00
80-foot, 5' x 7', 2-compartment shaft @ $50/ft.	$4,000.00
90 feet of 5' x 7' of drifts and/or crosscuts @ $35/ft.	3.150.00
Total Estimated Cost.....	$7,350.00

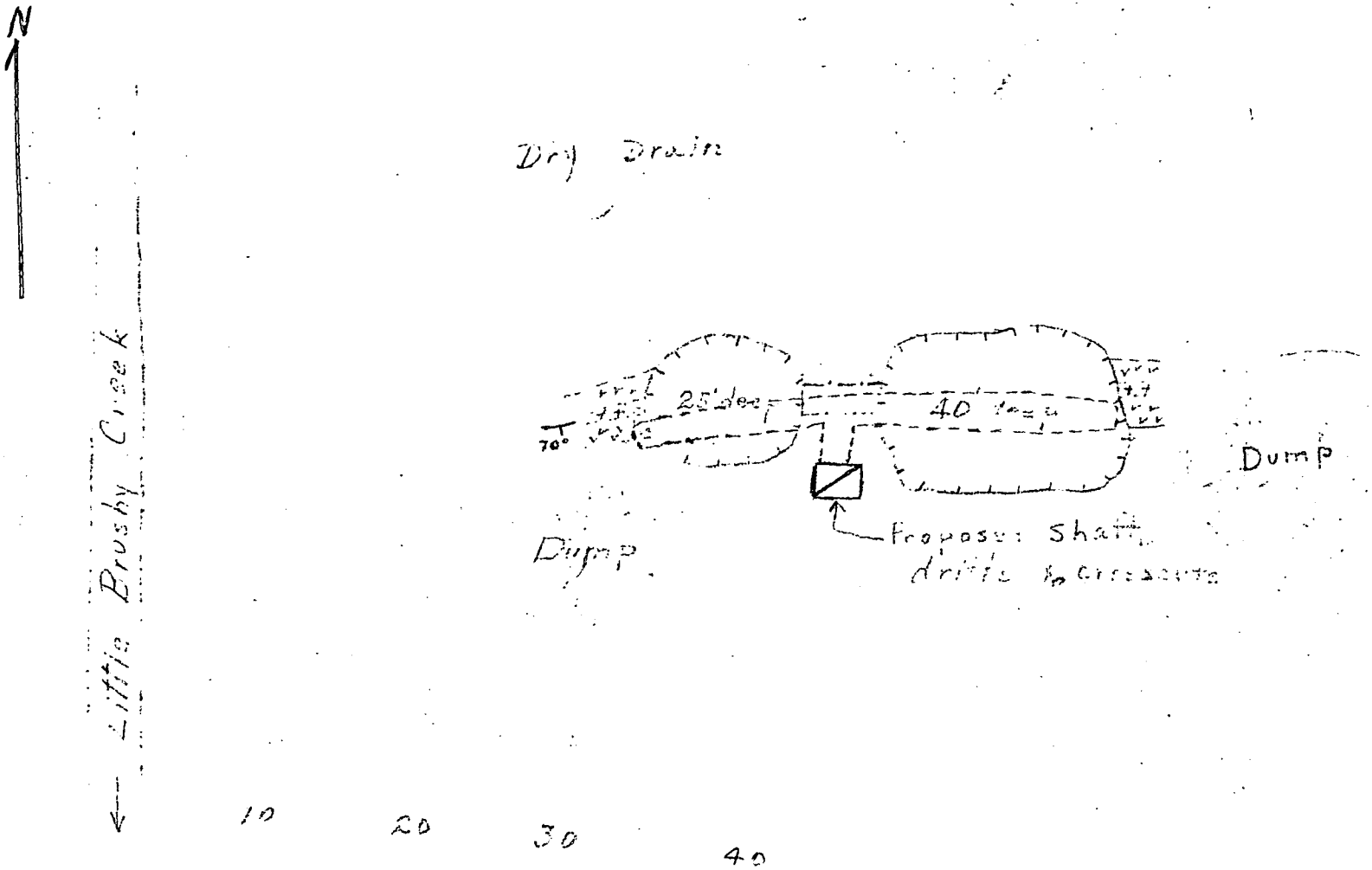
Total estimated time required 110 shifts.

October 22, 1952

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM

zm



Sketch of
Old Mauney Mine
Cleveland Co. N.C.

0 20 40
Scale

DMEA 2725

FILE COPY
SURNAME:

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

Hearne
Hoy
Victors
Houk
J. L. Thomason

OCT 17 1952

Mr. J. L. Thomason, Partner
Forest City Mining Company
Box 165
Forest City, North Carolina

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Company
Mauney Mine
Cleveland County, North Carolina

Dear Mr. Thomason:

Your application in Docket No. DMEA-2725 for exploration assistance at the Mauney Mine has been referred to Defense Minerals Exploration Administration Field Office, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further information and field examination.

Your interest in exploration for strategic mica is appreciated.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

LFHearne:gad 10/16/52

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

f.H.
10-17-52

FILE COPY
SURNAME:

Hearne
Houk

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

OCT 17 1952

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

Subject: Docket No. DMEA-2725 - Mica
Forest City Mining Co.
Old Mauney Mine
Cleveland County, North Carolina

Dear Mr. Laurence:

Reference is made to Docket No. DMEA-2725 - Mica - Forest City Mining Company, Old Mauney Mine, located in No. 6 Township, four miles north of Shelby, North Carolina, in Cleveland County, on Federal and State Highway No. 26.

Since it appears that the subject mine produced good grade ruby mica valued at $2,758.68 for the Colonial Mica Corporation during World War II, a field examination is requested together with your recommendation for a suitable exploration program if you feel it is justified. It is noted that your office has already requested the applicant to furnish six copies of "Owner's Consent to Lien", signed by the land owners, Mr. and Mrs. Mauney.

Memoranda from the Bureau of Mines and Geological Survey in regard to the application are enclosed.

Sincerely yours,

(signed) FRANK E. JOHNSON
GHB

Chairman, Operating Committee

Approved:

J. H. Hedges GHB
Member, Bureau of Mines

G. R. Kinkel, Jr. GHB
Member, Geological Survey

Enclosures 2

LFHearne:gad 10/16/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

J.H. 10-17-52

IN REPLY REFER TO:

G-MD-CNM

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

Memorandum October 15, 1952

REVIEW OF APPLICATION DMEA-2725 (Ruby sheet mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Forest City Mining Company.
Name of property: "Old Mauney Mine" and area within a 250' radius thereof.
Location of property: North Carolina, Cleveland County, #6 township, 4 miles N. of Shelby on Hwy. 26.
Estimated cost of project: $8,000.
Summary of applicant's proposal:

The applicants propose to cut down the banks and slope same to avoid caving, removing overburden and moving muck piles out of work area: construct necessary approaches for the entrance and exit of workers, construct platforms for pumps in order to keep water out of working pit. Muck out the pit by hoist: drill and dynamite the quartz formation in search of the main mica deposit. Erect and rig hoist outfit: cut drain ditch for water pumped out of mine and construct tool and supply house.

Sources of information on applicant's property:

Mica deposits of the Cleveland County district, N. Carolina - by J. C. Olson: U. S. Geol. Survey, May 19, 1943, file report.
Colonial Mica files for Cleveland County, N. C., World War II.
Physical characteristics of commercial sheet muscovite in the Southeastern U.S. - by Jahns and Lancaster: Geol. Survey Professional Paper 225, 1950.
Shelby Hickory district, North Carolina - by W. R. Griffitts: part of (unpublished) Professional Paper, Mica deposits of the southeastern Piedmont, by Jahns, Griffitts, and others.
Domestic mica - by G. Richards Gwinn: Bureau of Mines Info. Circular 7617, November 1951.

Comments:

1) The "Old Mauney Mine" was operated for one year during World War II, when the mine produced $2,758.68 of good-grade ruby mica for the Colonial Mica Company.
2) No specific proposal for exploration is made; only methods are described. Map submitted by applicant is too poor to show exploration objective.

RECOMMENDATION:

Refer to field team to work out with the owners a specific plan for exploration, if it seems warranted.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

R. E. Van Alstine

R. E. Van Alstine

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 13 1952

October 10, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2725, Mica, Mauney Mine, Cleveland County, North Carolina

Geological Survey (Professional Paper No. 225, p.77) tested mica from this mine to be 100 percent of E-1 capacitor quality and color was classed as cinnamon brown, generally accepted as ruby mica. On the basis of this and the applicant's description of present exposures, a field team investigation is recommended.

W. F. Dietrich

W. F. Dietrich

October 3, 1952

Mr. J. L. Thomason, Partner
Forest City, Mining Company
Box 165
Forest City, North Carolina

Subject: DMEA-2725
Re: Exploration Assistance
Mauney Mine

My dear Mr. Thomason:

The receipt of your application dated September 20, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2725 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2725 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams
Chief, Operation's Control
and Statistics Division

25451

Dmea-2725

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

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

September 29, 1952

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Forest City Mining Company- Application (mica)

Transmitted herewith are three copies of forms MF-103 and MF-100 on the above subject applicant. Also attached is a copy of my letter to the applicant. One copy of the application has been retained by this office.

Robert A. Laurence

Robert A. Laurence

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

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1952

Mr. Hesson

October 14, 1952

Memorandum

To: Operating Committee, DMEA- Washington

From: Field Team, DMEA - Region 7

Subject: DMEA-2725 - Forest City Mining Co. Cleveland Co., N. C.

Attached are six copies of form MF-203, Owner's Consent to Lien, on the above subject docket.

Wm. A. Beck
Wm. A. Beck
Acting Executive Officer
DMEA Field Team, Reg. 7

Dmea-2725

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

September 29, 1952

Forest City Mining Company
Box 165
Forest City, North Carolina

Attention- Mr. J. L. Thomason

This will acknowledge receipt of your application on forms MF-103 for assistance for a mica exploration project in Cleveland County, North Carolina. The application is being forwarded to Washington in accordance with established procedure.

As you propose to explore on land which you hold under lease, it will be necessary to have six copies of the enclosed "Owner's Consent to Lien" signed by the land owners, Mr. and Mrs. Mauney. Do not fill in the amount of the project on this form.

Very truly yours,

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

RAL/sm
cc:
Lynch
Laurence
Beck
Opr. Com.

Forest City Mining Company. Box 165. Forest City, N.C.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

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

OF THE INTERIOR
Minerals Administration
RECEIVED
OCT 1 1952

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

Not To Be Filled in by Applicant

Docket No. Dmea-2725
Metal or Mineral
Date Received 10-1-52
Amount $
Participation (Government %)

Forest City Mining Company
Box 165
Forest City, North Carolina

Name and address of applicant

Date September 20, 1952

If you have already filed MF-100, give date filed ....., type of assistance requested 90% Exploration Loan

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.

FOREST CITY MINING COMPANY
(Name of company)

By J. L. Thomason
(Signature of authorized official)

September 20, 1952
(Date)

Partner
(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

Forest City Mining Company
Box 165
Forest City, N.C.

INFORMATION RELATIVE TO FORM MF-103

1.

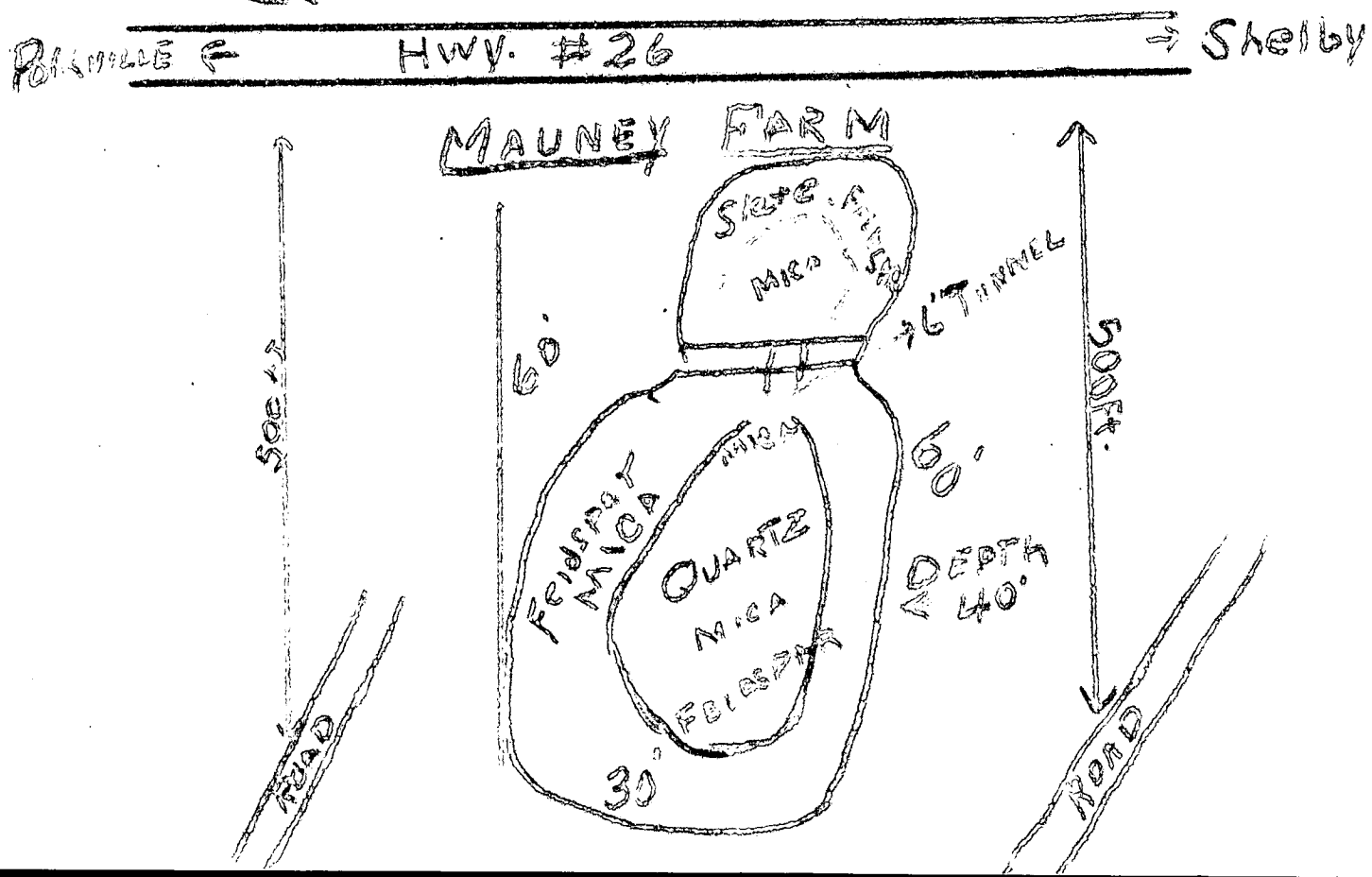
(a) The following property will be involved in the expiration project: Being a part of the lands known as the Rachel Poston Weathers tract in #6 township 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek 1 mile west of the Rachel Weathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.
At the present time there is an old mine shaft in the center of the above-described property which at its deepest point is 40 feet, 60 feet in length, 30 feet in width.

(b) Copy of mining lease attached.

(c) Same as in Lease and 1 (a) above

2.(a) Ruby sheet mica

(b) This mine was producing ruby sheet mica during the World War II mica program. Mr. Brack Buchanan, the previous operator of the mine and who now holds a position with the General Services Administration as mica buyer at Spruce Pine states that from his previous examination of the formations in said pit that there is undoubtedly a profitable deposit of ruby sheet mica in said area.
Below is a rough sketch of the formation of the above-area.



Forest City Mining Company
Box 162
Forest City, N.C.

[illegible] [illegible] [illegible] [illegible] [illegible]-13

3.

(a) The total cost of the project will be approximately [illegible],000.00. The applicants propose to cut down the trees and clear land to avoid caving, removing crest rocks and moving such piles out of work area; construct necessary approaches for the entrance to a cut of entrance, construct platforms for pumps in order to keep water out of working pit. Back out the pit by hand; drill and explode the quartz formation in search of the main vein deposit. Erect and sig hoist outlet; cut drain ditch for water pumped out of mine and construct tool and supply house.

(b) The project will be started within two weeks from the date financial aid is available and project will be completed within six months.

4. Same as in 3 (b) above.

5. None at present time

6. Tool supply house and shop will be erected at a cost of ([illegible]).

7.

(a) The following equipment will be rented; drag line at ([illegible]) per hour which includes an operator, this piece of equipment will not be used for more than four days at the beginning of the project. Air compressor and hammer at ([illegible]) per month. Bulldozer at ([illegible]) an hour with operator, however, this piece of equipment will only be used during the first two days of the project.

(b) Shovels, picks, and other hand tools including drill steel will be purchased at a price of ([illegible]).

(c) Hoist and rigging will be furnished by applicants with depreciation of ([illegible]) per month and a gasoline water pump at ([illegible]) per month depreciation.

8. One foreman-hoist operator at ([illegible]) per hour
Three miners at ([illegible]) per hour
Two shovelers at ([illegible]) per hour

9. Gasoline for pump, hoist, and compressor——([illegible]) per month
Dynamite ——— ([illegible]) per month
Repairs ——— ([illegible]) per month
Accounting, Bookkeeping, and Secretarial expense——([illegible]) per month
Insurance——— ([illegible]) per year

10.

(a) ([illegible])

(b) Yes

11. None

Forest City Mining Company, Box 165, Forest City, North Carolina

MINING LEASE — Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, CLEVELAND **COUNTY.**

This indenture made this 15th day of September 19 52, between S. S. MAUNEY and wife, RACHEL MAUNEY of CLEVELAND County and State of NORTH CAROLINA, as parties of the first part, and known as lessors, and Ira M. Vance & J. L. Thomason, et al., of County and State of North Carolina, of the second part and known as lessees:

WITNESSETH, That the part of the first part, in consideration of the agreements hereinafter contained, on the part of the parties of the second part to be performed, hereby bargains, leases and grants to the parties of the second part, and their heirs and assigns, for the period of three years from the date of this agreement, the following described real property, for mining purposes, in the County of CLEVELAND State of NORTH CAROLINA, to wit:

Being a part of the lands known as the Rachel Poston Heathers tract in #6 township 4 miles N. of Cholby on Hwy. #26- 2 acres on the waters of Brushy Creek 1 mile west of the Rachel Heathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and run ing with a radius of 250 feet.

Being a part of property described in Deed Book 000 at page 495, dated May 27, 1924 in office of Register of Deeds Cleveland County, N. C.

To Have and to Hold the said lands to them, for mining purposes, the said Ira M. Vance and J. L. Thomason, and their heirs and assigns for the aforesaid period of 3 years upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly mica and to conduct the same to any extent the said parties of the second part may desire. And it is hereby agreed between the parties to this agreement that the parties of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by parties of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said parties of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the parties of the second part are to have right-of-way of ingress and egress to said mines. The said parties of the second part hereby agree to pay to the said parties of the first part, or their heirs or assigns, a rental or royalty of 12 ½ % on all mica taken and sold from said mines for the use of the said lands for the aforesaid period of three years only; payable as follows: on the first day of the following month

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value.

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within 1 year from the date of this instrument, this lease may be terminated by the lessee at any time thereafter, on 30 days notice to the lessors. The lessees agree that during continuance of this lease work in said mines shall not cease longer than 60 days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

/S/ S. S. Mauney (Seal)

Witness:

/S/ Rachel Mauney (Seal)

/s/ Geo. R. Morrow

/S/ J. L. Thomason (Seal)

/S/ Ira M. Vance (Seal)

NORTH CAROLINA, Rutherford COUNTY. Cool Springs TOWNSHIP.

I, George R. Morrow, do certify that S. S. Mauney and Rachel Mauney his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said Rachel Mauney being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

This 15 day of September, 19 52

/s/ George R. Morrow
Notary Public

My comm. exp. June 19, 1953

NORTH CAROLINA, _____ COUNTY.

The execution of the foregoing instrument was this day acknowledged before me, by _____ the grantor _____ for the purposes therein expressed. Let the same, with this certificate, be registered. This _____ day of _____, 19____

_____

_____

NORTH CAROLINA, _____ COUNTY.

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 19____

_____
Clerk Superior Court.

Filed for Registration at _____ o'clock _____ M., _____, 19____, and registered in the office of Register of Deeds for _____ County, in _____ Deed Book No. _____ page No. _____, 19____

_____
Register of Deeds.

MINING LEASE

FROM

S. S. Mauney &
Rachel Mauney

TO

Ira M. Vance &
J. L. Thomason

Lease Book _____ Page _____

FEES:

Probate . . . . . $ _____

Certificate and Seal, J. P. or N. P. . . $ _____

Certificate and Seal, Clerk . . . . $ _____

State Tax . . . . . $ _____

$ _____

DMEA-2725

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Cleveland, described as follows:1/ Being a part of the lands known as the Rachel Poston Weathers tract in #6 township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek, 1 mile west of the Rachel Weathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

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

2/ J. L. Thomason, Ira Vance, Tom Dellinger, James Wise, Jim Vance, Tom Moss, and George Morrow, Partners, trading and doing business as Forest City Mining Company.

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 8th day of October, 195 2.

L L Mauney [Seal]

Rachel Mauney [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1952

Forest City Mining Company, Box 165, Forest City, North Carolina

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

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

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

Not To Be Filled in by Applicant

Docket No. Dmea-2725
Metal or Mineral
Date Received 10-1-52
Amount $
Participation (Government %)

Forest City Mining Company
Box 165
Forest City, North Carolina

Name and address of applicant

Date September 20, 1952

If you have already filed MF-100, give date filed ....., type of assistance requested 90% Exploration ~~Loan~~

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.

FOREST CITY MINING COMPANY
(Name of company)

By J. L. Thomason
(Signature of authorized official)

September 20, 1952
(Date)

Partner
(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

Forest City Mining Compa[illegible]
Box 1[illegible]
Forest City, N.C.

INFORMATION RELATIVE TO FORM MF-103

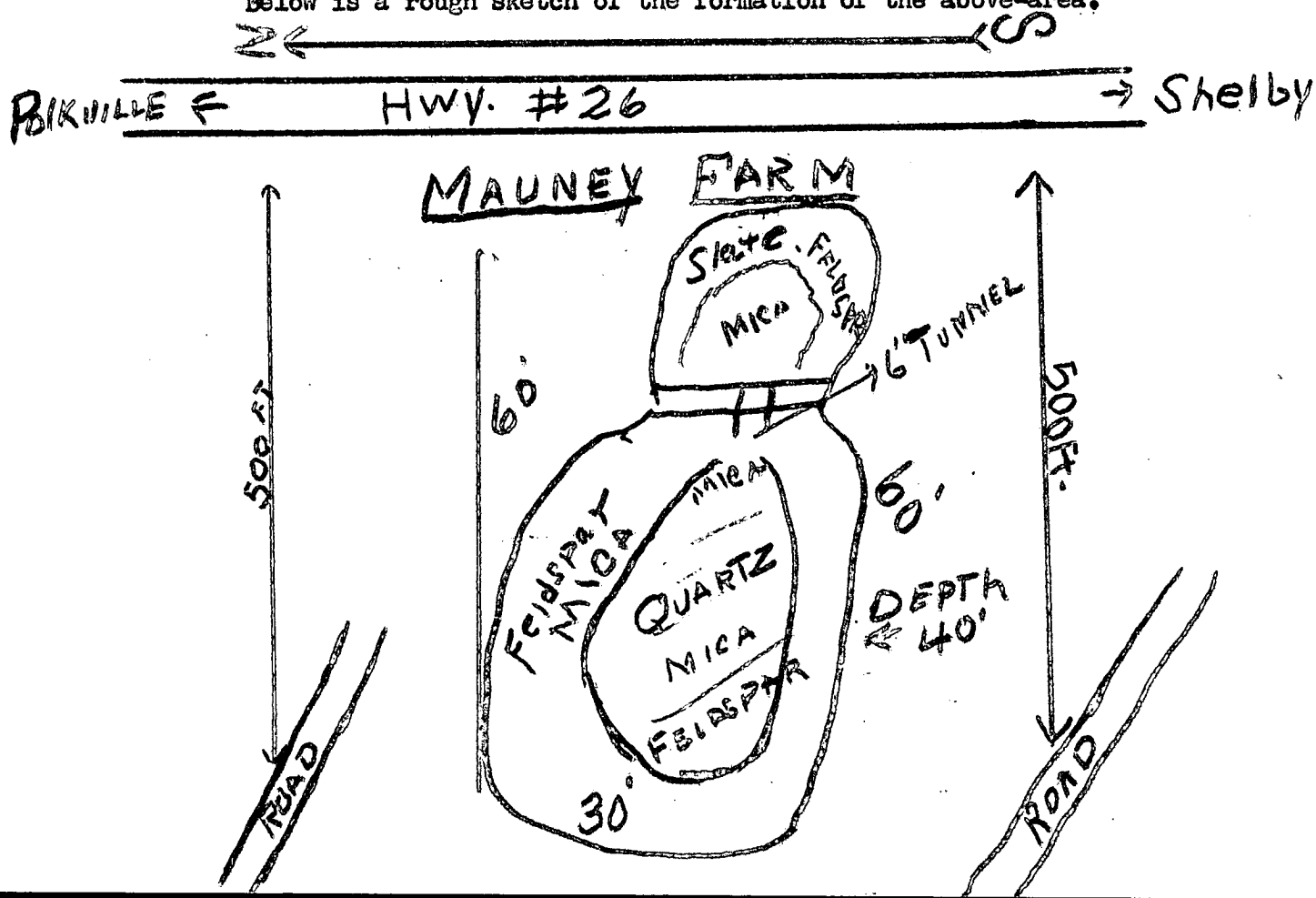
1.
(a) The following property will be involved in the expiration project: Being a part of the lands known as the Rachel Poston Weathers tract in #6 township 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek 1 mile west of the Rachel Weathers Home site. Beginning in the center of the present old mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.
At the present time there is an old mine shaft in the center of the above-described property which at its deepest point is 40 feet, 60 feet in length, 30 feet in width.

(b) Copy of mining lease attached.

(c) Same as in Lease and 1 (a) above

2.(a) Ruby sheet mica

(b) This mine was producing ruby sheet mica during the World War II mica program. Mr. Brack Buchannan, the previous operator of the mine and who now holds a position with the General Services Administration as mica buyer at Spruce Pine states that from his previous examination of the formations in said pit that there is undoubtedly a profitable deposit of ruby sheet mica in said area.
Below is a rough sketch of the formation of the above-area.



Forest City Mining Company
Box 165
Forest City, N.C.

PAGE 2 FOR INFORMATION RELATIVE TO FORM MF-103

3.

(a) The total cost of the project will be approximately $8,000.00. The applicants propose to cut down the banks and slope same to avoid caving, removing overburden and moving muck piles out of work area; construct necessary approaches for the entrance and exit of workers, construct platforms for pumps in order to keep water out of working pit. Muck out the pit by hoist; drill and dynamite the quartz formation in search of the main mica deposit. Erect and rig hoist outfit; cut drain ditch for water pumped out of mine and construct tool and supply house.

(b) The project will be started within two weeks from the date financial aid is available and project will be completed within six months.

4. Same as in 2 (b) above.

5. None at present time

6. Tool supply house and shop will be erected at a cost of $500.00.

7.

(a) The following equipment will be rented; drag line at $25.00 per hour which includes an operator, this piece of equipment will not be used for more than four days at the beginning of the project. Air compressor and hammer at $120.00 per month. Bulldozer at $12.50 an hour with operator, however, this piece of equipment will only be used during the first two days of the project.

(b) Shovels, picks, and other hand tools including drill steel will be purchased at a price of $150.00.

(c) Hoist and rigging will be furnished by applicants with depreciation of $30.00 per month and a gasoline water pump at $30.00 per month depreciation.

8. One foreman-hoist operator at $1.50 per hour
Three muckers at $1.00 per hour
Two miners at $1.00 per hour

9. Gasoline for pump, hoist, and compressor------$150.00 per month
Dynamite ------- $30.00 per month
Repairs -------- $30.00 per month
Accounting, Bookeeping, and Secretarial expense-----$100.00 per month
Insurance---------$250.00 per year

10.

(a) $800.00

(b) Yes

11. None

Forest City Mining Company, Box 162, Forest City, North Carolina

A True Copy

MINING LEASE — Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, CLEVELAND **COUNTY.**

This indenture made this 15th day of September 19 52, between S. S. MAUNEY and wife, RACHEL MAUNEY of CLEVELAND County and State of NORTH CAROLINA, as parties of the first part, and known as lessors, and Ira M. Vance & J. L. Thomson, et al., of County and State of North Carolina, of the second part and known as lessees:

WITNESSETH, That the part of the first part, in consideration of the agreements hereinafter contained, on the part of the parties of the second part to be performed, hereby bargains, leases and grants to the parties of the second part, and their heirs and assigns, for the period of three years from the date of this agreement, the following described real property, for mining purposes, in the County of CLEVELAND State of NORTH CAROLINA, to wit:

Being a part of the lands known as the Rachel Pooton Heathcote tract in 6 6 township 4 miles N. of Cholby on Hwy. #26- 2 acres on the waters of Brushy Creek 1 mile west of the Rachel Heathcote Home site. Beginning in the center of the present old mine working known as the "Old Mauney Mine" and run int with a radius of 250 feet.

Being a part of property described in Deed Book 000 at page 495, dated May 27, 1924 in office of Register of Deeds Cleveland County, N. C.

To Have and to Hold the said lands to them, for mining purposes, the said Ira M. Vance and J. L. Thomson, and their heirs and assigns for the aforesaid period of 3 years upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly mica and to conduct the same to any extent the said parties of the second part may desire. And it is hereby agreed between the parties to this agreement that the parties of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by parties of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said parties of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the parties of the second part are to have right-of-way of ingress and egress to said mines. The said parties of the second part hereby agree to pay to the said parties of the first part, or their heirs or assigns, a rental or royalty of 12 ½ %, on all mica taken and sold from said mines for the use of the said lands for the aforesaid period of three years only; payable as follows: on the first day of the following month

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value.

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within 1 year from the date of this instrument, this lease may be terminated by the lessee at any time thereafter, on 30 days notice to the lessors. The lessees agree that during continuance of this lease work in said mines shall not cease longer than 60 days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

Witness:

/s/ Geo. R. Morrow

/S/ S. S. Mauney (Seal)

/S/ Rachel Mauney (Seal)

/S/ J. L. Thomason (Seal)

/S/ Ira M. Vance (Seal)

NORTH CAROLINA, Rutherford COUNTY. Cool Springs TOWNSHIP.

I, George R. Morrow, do certify that S. S. Mauney and Rachel Mauney his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said Rachel Mauney being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

This 15 day of September, 19 52

/s/ George R. Morrow
Notary Public

My comm. exp. June 19, 1953

NORTH CAROLINA, _____ COUNTY.

The execution of the foregoing instrument was this day acknowledged before me, by _____ the grantor____ for the purposes therein expressed. Let the same, with this certificate, be registered. This _____ day of _____, 19____

_____

_____

NORTH CAROLINA, _____ COUNTY.

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 19____

_____
Clerk Superior Court.

Filed for Registration at _____ o'clock _____ M., _____, 19____, and registered in the office of Register of Deeds for _____ County, in _____ Deed Book No. _____ page No. _____, 19____

_____
Register of Deeds.

MINING LEASE

FROM
S. S. Mauney &
Rachel Mauney
TO
Ira M. Vance &
J. L. Thomason

Lease Book _____ Page _____

FEES:

Probate	$
Certificate and Seal, J. P. or N. P.	$
Certificate and Seal, Clerk	$
State Tax	$
	$

COPY

FOREST CITY MINING COMPANY
BOX 165
Forest City, North Carolina

DMA-2725

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

ASSIGNMENT OF MINING LEASE

This indenture made this 26th day of November, 1952, between Ira Vance and J. L. Thomason of Rutherford County and state of North Carolina as parties of the first part and known as assignors, and the Forest City Mining Company, a partnership consisting of the following partners:

Ira M. Vance, Jim Vance, T. P. Dellinger, James Biss, Jim Thomason and George Morrow, parties of the second part and known as assignees. WITNESSETH: That the parties of the first part in consideration of the sum of ten dollars and other valuable consideration, does hereby grant, bargain, transfer and assign unto the said Forest City Mining Company all of their interest, right and title to the following described real property in the county of Cleveland and state of North Carolina.

Being a part of the lands known as the Rachel Poston Heathers tract in # 6 township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek 1 mile west of the Rachel Heathers Home site: BEGINNING in the center of the present Old Mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

This being the same property leased to Ira M. Vance and J. L. Thomason by L. S. Mauney and wife, Rachel Mauney on the 15th day of September 1952.

It is understood and agreed that the said Forest City Mining Company takes this transfer with all of the privileges and limitations set out in the lease from L. S. Mauney and wife, Rachel Mauney to Ira M. Vance and J. L. Thomason.

Witness our hands and seals the day and year first above written.

s/ Ira M. Vance (SEAL)

s/ J. L. Thomason (SEAL)

Sworn to and subscribed before me this the 26th day of November, 1952

s/ George R. Mauney
Notary Public

My Commission Expires-January 19, 1953

COPY

FOREST CITY MINING COMPANY
BOX 165
Forest City, North Carolina

DMEA-2725

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

ASSIGNMENT OF MINING LEASE

This indenture made this 26th day of November, 1952, between Ira Vance and J. L. Thomason of Rutherford County and state of North Carolina as parties of the first part and known as assignors, and the Forest City Mining Company, a partnership consisting of the following partners:

Ira M. Vance, Jim Vance, T. P. Dellinger, James Wise, Jim Thomason and George Morrow, parties of the second part and known as assignees. WITNESSETH: That the parties of the first part in consideration of the sum of ten dollars and other valuable consideration, does hereby grant, bargain, transfer and assign unto the said Forest City Mining Company all of their interest, right and title to the following described real property in the county of Cleveland and state of North Carolina.

Being a part of the lands known as the Rachel Poston Weathers tract in # 6 township, 4 miles N. of Shelby on Hwy. #26-2 acres on the waters of Brushy Creek 1 mile west of the Rachel Weathers Home site: BEGINNING in the center of the present Old Mine workings known as the "Old Mauney Mine" and running with a radius of 250 feet.

This being the same property leased to Ira M. Vance and J. L. Thomason by S. S. Mauney and wife, Rachel Mauney on the 15th day of September 1952.

It is understood and agreed that the said Forest City Mining Company takes this transfer with all of the privileges and limitations set out in the lease from S. S. Mauney and wife, Rachel Mauney to Ira M. Vance and J. L. Thomason.

Witness our hands and seals the day and year first above written.

s/ Ira M. Vance (SEAL)

s/ J. L.Thomason (SEAL)

Sworn to and subscribed before me this the 26th day of November, 1952

s/ George R. Morrow
Notary Public

My Commission Expires-January 19, 1953

COPY

FOREST CITY MINING COMPANY
BOX 165
Forest City, North Carolina

IMEA-2725

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

ASSIGNMENT OF MINING LEASE

This indenture made this 26th day of November, 1952, between Ira Vance and J. L. Thomason of Rutherford County and state of North Carolina as parties of the first part and known as assignors, and the Forest City Mining Company, a partnership consisting of the following partners:

Ira M. Vance, Jim Vance, T. P. Dellinger, James Wise, Jim Thomason and George Morrow, parties of the second part and known as assignees. WITNESSETH: That the parties of the first part in consideration of the sum of ten dollars and other valuable consideration, does hereby grant, bargain, transfer and assign unto the said Forest City Mining Company all of their interest, right and title to the following described real property in the county of Cleveland and state of North Carolina.

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This being the same property leased to Ira M. Vance and J. L. Thomason by S. S. Mauney and wife, Rachel Mauney on the 15th day of September 1952.

It is understood and agreed that the said Forest City Mining Company takes this transfer with all of the privileges and limitations set out in the lease from S. S. Mauney and wife, Rachel Mauney to Ira M. Vance and J. L. Thomason.

Witness our hands and seals the day and year first above written.

s/ Ira M. Vance (SEAL)

s/ J. L.Thomason (SEAL)

Sworn to and subscribed before me this the 26th day of November, 1952

s/ George R. Morrow
Notary Public

My Commission Expires-January 19, 1953

COPY

FOREST CITY MINING COMPANY
BOX 165
Forest City, North Carolina

DMEA-2725

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

ASSIGNMENT OF MINING LEASE

This indenture made this 26th day of November, 1952, between Ira Vance and J. L. Thomason of Rutherford County and state of North Carolina as parties of the first part and known as assignors, and the Forest City Mining Company, a partnership consisting of the following partners:

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This being the same property leased to Ira M. Vance and J. L. Thomason by S. S. Mauney and wife, Rachel Mauney on the 15th day of September 1952.

It is understood and agreed that the said Forest City Mining Company takes this transfer with all of the privileges and limitations set out in the lease from S. S. Mauney and wife, Rachel Mauney to Ira M. Vance and J. L. Thomason.

Witness our hands and seals the day and year first above written.

s/ Ira M. Vance (SEAL)

s/ J. L.Thomason (SEAL)

Sworn to and subscribed before me this the 26th day of November, 1952

s/ George R. Morrow
Notary Public

My Commission Expires-January 19, 1953

Forest City Mining Company
Box 165
Forest City, N.C.

Form DMF-1 (Rev. 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 1 1952

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

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

NOT TO BE FILLED IN BY APPLICANT

Docket No. Dmea-2725

Date received 10-1-52

Forest City Mining Company
Box 165
Forest City, North Carolina

Name and address of applicant

Date September 20, 1952

INSTRUCTIONS

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

GENERAL TECHNICAL DATA

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

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

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

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

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

Forest City Mining Company
Box 165
Forest City, N.C.

INFORMATION RELATING TO FORM MP-100

1.
(a) Strategic sheet ruby mica

(b) Tough punch mica, scrap mica and feldspar

2. This is an open pit mine that was worked during the World War II under the Colonial Mica Company and was designated as the Mauney Mine.

(a) 40 feet

(b) 15 feet to 40 feet

(c) 40 feet

(d) None

This is a wet mine which will require pumping a part of each day. A two inch pump operating four hours per day will keep the mine dry at its present depth. As the shaft becomes deeper more and a greater quanity of water will seep in but a two inch pump operating when required will keep mine dry to a depth of 60 feet.

3.
(a) This mine is located five miles northwest of Shelby, North Carolina, which is the nearest town. The mine is located one-half mile off State and Federal Highway No. 26.

(b) Western North Carolina Mining District

(c) Township No. 6

(d) Cleveland County, North Carolina

4.
(a) This property is not now in operation and has not been since the Mica program in effect during World War II was terminated.

(b) This property will be operated by the applicant as lessee.

5. This property was in production one year during the World War II Mica program.

Operation of this mine will begin immediately after the receipt of financial assistance. The applicant expects to produce some mica within thirty days after operations are begun.

6.
(a) The mining and general business experience of the members of the partnership is as follows:

Forest City Mining Co.
Box 165
Forest City, N.C.

Ira M. Vance, Pineola, North Carolina: Fifteen years mining mica and feldspar; one year in construction work, owner and operator of a Nursery five years, owner of General Merchandise Store for fifteen years.

Jim Vance, Crossnore, North Carolina: Twenty-Five years as Forester, with ten years experience in mining mica and feldspar.

Tom Dellinger, Crossnore, North Carolina: A college graduate and Vocational Agriculture teacher with five years experience in mining of mica.

James Wise, Spruce Pine, North Carolina: Experienced in the mining of mica for five years, no general business experience.

J. L. Thomason, Union Mills, North Carolina: Two years experience in the mining and preparation of mica; six years experience as farm manager and operator.

George R. Morrow, Forest City, North Carolina: A college graduate with one year experience in mining; and a practicing Attorney-At-Law; one year experience in construction work.

Thomas J. Moss, Forest City, North Carolina: A college graduate with twenty-nine years experience in the practice of law, President of the Blue Ridge Minerals and Mining Co., with five years executive experience in mining.

6.
(b) The project will be under the general supervision of all of the above parties; however, James Wise will be in charge of the labor force, acting as foreman and staying at the mine full time.

7.
(a) This property was first explored near the end of the World War II mica program, an open pit was dug about thirty feet deep and mica which would sheet on an average of 2 inches by 2 inches was found. The operators of the mine reasoned that they had missed the main chimney of mica and dug another open pit approximately ten feet from the original pit and found mica which would sheet and trim better than 2 inches by 2 inches. The operators then reasoned that the larger and better deposit of mica lay deeper in the two pits. The operators encountered water and pumping became necessary and a tunnel was cut to join the two pits in order that pumping could be carried on from either pit, A small shaft, about ten feet deep was dug in the bottom of the large pit which gave sheet mica. At this stage of the operation the Colonial Mica Company operating on the Government program quit buying mica. The private market for mica was then faced with a large supply and the price for said mica declined and the cost of mining prohibited further exploration and production.

(b) This property adjoins the property upon which the Martin Mine is located. The Martin Mine has in the past been the largest and heaviest producer of sheet ruby mica in Cleveland County. The said Martin Mine is now in operation and is producing large blocks of ruby sheet mica.

(c) The parties listed in six (a) have examined the pits referred to in this application and have reached the conclusion that for the mine to be properly developed and explored that the banks and walls of the pit must be cut down and sloped to prevent the same from caving; that the muck piles heretofore made must be leveled to permit new exploration and development;

Forest City Mining Co.
Box 166
Forest City, N.C.

Continuance of Seven (c)

since operations at the two open pits were suspended erosion and caving have caused an accumulation of muck about twelve feet deep in the bottom of the pit, this must be cleaned out together with the loose flint rock before it will be possible to follow the mica vein.

8. Same as stated in 6 (a)

9. Inapplicable to this application.

10. Information not available and therefore cannot be answered.

11. Mine not at present in production

12. This deposit of mica is on the outer edges of a core of flint rock and wedged in and next to a wall of feldspar.

(b) Unable to answer because information not available; however, we wish to refer you to Bureau of Mines Information Circular 7617 entitled "Domestic Mica" and the reports from the present geological survey now being conducted in the Cleveland County area.

13. Located five miles northwest of Shelby, North Carolina on a hard surfaced State and Federal Highway No. 26. Mica will be shipped by applicants truck from mine to Spruce Pine buying depot, all roads are hard surfaced to market.

14. Supply of water not necessary for this operation.

15. The source of all power will be gasoline engines varying horse power. Gasoline available in any quantity at nearby gasoline stations for 0.27 per gallon. (Electrical power available if needed.)

16. Mine not now in operation but three muckers, two miners, and one foreman—hoist operator will be required.

17. No buildings available.

Hoist together with bucket and rigging, two inch pump with hose and necessary connections and shop tools available for operation.

18. The applicants have heretofore been engaged in prospecting and exploration and mining operations at their own expense and have expended quite a bit of their own capital in these activities. However, a large amount of experience and knowledge has been gained in these efforts and it is the considered opinion that this mine and location should prove highly productive and profitable if the same can be adequately developed and exploited with the necessary capital and equipment.

MINING LEASE

Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, Cleveland **COUNTY.**

This indenture made this 12 day of [illegible] 1952, between A. J. [illegible] of [illegible] County and State of [illegible], as parties of the first part, and known as lessors, and [illegible], of [illegible] County and State of [illegible], of the second part and known as lessees:

WITNESSETH, That the part[illegible] of the first part, in consideration of the agreements hereinafter contained, on the part of the part[illegible] of the second part to be performed, hereby bargains, leases and grants to the part[illegible] of the second part, and their heirs and assigns, for the period of [illegible] from the date of this agreement, the following described real property, for mining purposes, in the County of [illegible] State of [illegible], to wit:

[illegible]

To Have and to Hold the said lands to them, for mining purposes, the said [illegible], and their heirs and assigns for the aforesaid period of 3 [illegible] upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly [illegible] and to conduct the same to any extent the said part[illegible] of the second part may desire. And it is hereby agreed between the parties to this agreement that the part[illegible] of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by part[illegible] of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said part[illegible] of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the part[illegible] of the second part are to have right-of-way of ingress and egress to said mines. The said part[illegible] of the second part hereby agree to pay to the said part[illegible] of the first part, or [illegible] heirs or assigns, a rental or royalty of 12½% [illegible], on [illegible] taken and sold from said mines for the use of the said lands for the aforesaid period of [illegible] only; payable as follows: [illegible]

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value.

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within 1 year [illegible] from the date of this instrument, this lease may be terminated by the lessee at any time thereafter, on [illegible] days notice to the lessors. The lessees agree that during continuance of this lease work in said mines shall not cease longer than 60 days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

Witness:

[illegible] (Seal)

Rachel Mauney (Seal)

X [illegible] (Seal)

[illegible] (Seal)

NORTH CAROLINA, _____COUNTY. _____TOWNSHIP.

I, _____, do certify that_____

and _____

his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said_____

_____

being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

_____This_____day of_____, 19____

_____

Justice of the Peace.

NORTH CAROLINA, _____COUNTY.

The execution of the foregoing instrument was this day acknowledged before me, by_____

_____the grantor____ for the purposes therein expressed. Let the same, with this certificate, be registered. This_____day of_____, 19_____

_____

_____

NORTH CAROLINA, _____COUNTY.

The foregoing certificate of_____ of _____County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this_____day of_____, 19_____

_____

Clerk Superior Court.

Filed for Registration at_____o'clock_____M., _____, 19_____, and registered in the office of Register of Deeds for_____County, in_____Deed Book No._____ page No._____

_____, 19_____

_____

Register of Deeds.

MINING LEASE

FROM

TO

Lease Book_____ Page_____

FEES:

Probate . . . . . $_____

Certificate and Seal, J. P. or N. P. . . $_____

Certificate and Seal, Clerk . . . . $_____

State Tax . . . . . $_____

$_____