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Hall
Chamberlin
Putin

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 31st day of December 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter call the "Government," and B. G. Thomas, Mark Hall, and Charlie Hall, partners, doing business as S. W. Presnell Mica Miners, c/o B. G. Thomas, Mgr. Spruce Pine, North Carolina, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E 512, Docket No. DMEA-2790, dated 23rd day of April 1953, that the said contract shall be and is hereby terminated as of the first date above written.

The Operator shall promptly render to the Government a full and final report and final accounting of units of work performed under the contract to and including the date first above written. Any units of work performed after the date first above written shall be for the sole account of the Operator, without contribution by the Government.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

S. W. PRESNELL MICA MINERS.

BY B G Thomas

BY Mark Hall

BY Charlie Hall

UNITED STATES OF AMERICA

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

Docket Copy

Pulin 2-4-54

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT AMENDMENT NO. 2

DMEA Docket No. 2790, Idm-E 512 (mica) S. W. Presnell Mica Miners.

Contract Idm-E 512, Docket DMEA-2790, dated 23rd April 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and B. G. Thomas, Mark Hall, and Charlie Hall, partners, d/b/a S. W. Presnell Mica Miners, Spruce Pine, North Carolina is hereby amended as follows:

1. Article 3 is amended to read, "..... and shall bring the project to completion within a period of ten months (10) from date of this contract....." instead of 7 months as written in the original contract.

This amendment is necessary due to slow progress of the work. Most of the drilling has been in rock.

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 cost which the Government may be obligated to pay, under the provisions of Article 8 of the contract form.

Dated November 20, 1953

S. W. PRESNELL MICA MINERS

By B.G. Thomas
Partner

By Mark Hall
Partner

By Charlie Hall
Partner

THE UNITED STATES OF AMERICA

By W. M. Beck
Acting Executive Officer
DMEA Field Team, Region VII

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Docket Copy

EXPLORATION PROJECT CONTRACT
S. W. PRESNELL MICA MINERS
DOCKET NO. DMEA-2790

AMENDMENT NO. 1

It is agreed this 10th day of July, 1953, between the United States of America, acting through the Defense Minerals Exploration Administration, and B. G. Thomas, Mark Hall, and Charlie Hall, partners, doing business as S. W. Presnell Mica Miners, that Contract No. Idm-E-512 (Docket No. DMEA-2790), dated April 23, 1953, is amended as follows:

1. In Exhibit "A", under the heading "Description of the Work":

(a) Add to Item 2 the following:

From a pegmatite exposure which is located approximately 30 feet north of the west portal, and which is at a level 15 feet lower than the west portal, excavate, southerly, a trench on the pegmatite which is 30 feet long, 10 feet wide at the bottom, and 15 feet deep at the south end of the excavation.

(b) In item 3, substitute 61.36 feet for 75 feet.

2. In Exhibit "A", under the heading "Agreed Unit Costs":

(a) Delete the second item entirely, and substitute the following:

Sink shaft 61.36 feet @ $55.00/ft.	$3,375.00

(b) Add the following item:

30 linear feet of excavation @ $25.00/ft.	$ 750.00

(c) In the third line of the paragraph immediately following "Total Agreed Unit Costs," add the word "excavation" immediately before the word "and".

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C O Mitteldorf
Administrator, Defense Minerals
Exploration Administration

Britin
Hoffman
Hook
Chamberlin

S. W. PRESNELL MICA MINERS

By B G Thomas (Partner)

By Wm. Hall (Partner)

By Charlie Hall (Partner)

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

DOCKET NO. DMEA 2790

COMMODITY Mica

UNITED STATES OF AMERICA Docket Copy
DEPARTMENT OF THE INTERIOR Idm-E-512
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 23rd day of April, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] B. G. Thomas, Mark Hall, and Charlie Hall, partners, doing business as S. W. Presnell Mica Mines c/o B. G. Thomas, Manager, Spruce Pine, 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 the mining rights in that certain land situated in the State of North Carolina, County of Yancey, described as follows:[3] set forth in Annex I

the Operator represents and undertakes:[4]

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

~~Operator's Guaranty in Lieu of~~

(*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 30 days from the date of this contract shall commence work on a project of exploration for[5] Mica

in or upon the described land; and shall bring the project to completion within a period of 7 Mos. from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

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

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

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following: and also the costs referred to in Article 13.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $10,080.00, which is 90 percent of $11,200.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided*, that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in exhibit A as agreed unit costs, they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6(a) of the contract form.

Executed in sextuplicate the day and year first above written.

S[illegible]LL MICA MINERS
B. G. Thomas
(Operator) XXXX Partner
W. M. Hall Partner
By Charlie Hall Partner

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

witness Robin Chandler

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
S. W. PRESNELL MICA MINERS
DOCKET NO. DMSA-2790

EXHIBIT "A"

Description of the Work

Exploration at the S. W. Presnell Mine is intended to discover adjacent pegmatite dikes and additional mica shoots in the pegmatite dike previously mined.

The project as indicated on the attached map shall consist of the following work:

1. Construct approximately 2500 feet of access road from the Balsam Mine to the site of the proposed shaft, at the S. W. Presnell Mine.

2. With a bulldozer prepare the site for the proposed shaft and excavate a ditch, if necessary, to divert surface water.

3. Sink a 5 by 7 foot shaft with necessary timbering 75 feet deep in the pegmatite.

4. From the 70-foot level in the shaft, drift 80 feet, 5 by 7 feet in cross section, along the pegmatite.

5. Drill not more than 300 feet of long jackhammer holes from the shaft and drift at points specified by the Government to explore for adjacent pegmatite dikes.

6. Explore pegmatite indicated by the long holes with not more than 50 feet of crosscut and drift, 5 by 7 feet in cross section, in a manner mutually agreeable to the Operator and the Government.

The location, direction, and extent of all work shall be specified by the Government.

Estimated Costs of the Project
(*Indicates allowable maximum)

Agreed Unit Costs

Construct access road - 2500 feet @ $.60/ft.	$1,500.00

Sink shaft 75 feet @ $55.00/ft.	$4,125.00	
Drift and crosscut 130 feet @ $35.00/ft.	4,550.00	
Drill long jackhammer holes 300 feet @ $1.00/ft.	300.00	
Total Agreed Unit Costs		$10,475.00

The Government will contribute to the cost of the above construction of the access road, shaft sinking, drifting, and crosscutting, and drilling long jackhammer holes on the basis of the agreed unit costs per foot as they accrue for units of work actually performed in lieu of actual costs. These agreed unit costs include all costs of the work including supervision, consultants, sampling, surveying, and all other necessary technical work involved. Work to the costs of which the Government will contribute on the basis of agreed estimated unit costs may be performed by independent contractor without reference to the provisions relating to independent contracts and contractor in Articles 4(a), 4(b), and 6(a)(1) of the contract form.

Estimated Actual Costs of Shaft Site Preparation

(1) Independent Contracts

Bulldozer including operator, transportation to and from site, repairs and all operating expenses - complete, 50 hrs. @ $12.00*/hr.	$ 600.00*

(2) Labor, Supervision, Consultants

Supervisor, 50 hrs. @ $1.50*/hr.	75.00*

(3) Operating Materials and Supplies

None

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

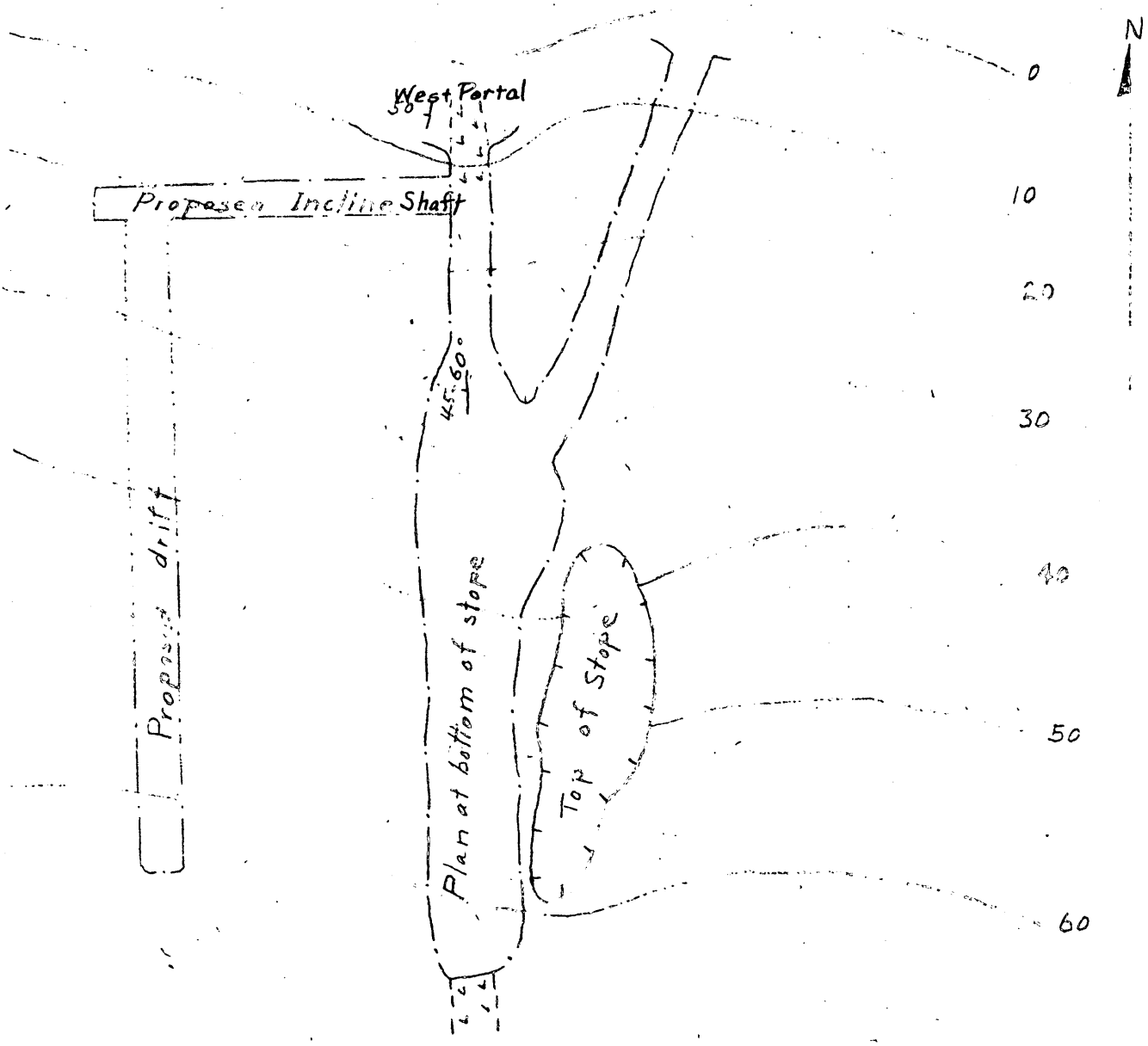
None

(7) Miscellaneous & (8) Contingencies	$50.00	
Total Estimated Actual Costs		$ 725.00*
Total Estimated Cost of Project		$11,200.00*
Government Participation @ 90%		$10,080.00*

EXPLORATION PROJECT CONTRACT
S. W. PRESNELL MICA MINERS
DOCKET NO. DMEA-2790

ANNEX I

A part of the tract of land in Yancey County, North Carolina, known as the Ray Boundary on Bolens Creek, described more particularly in Book 6 of Deeds, page 224 in Yancey County, N. C., consisting of an area 200 feet in all directions from the center of the opening of the S. W. Presnell Mine which is located on the south side of the head of Bolens Creek about 6.5 miles southeast of Burnsville, Yancey County, North Carolina. This opening is indicated as "West Portal" on the map entitled "Sketch of the S. W. Presnell Mine, Yancey County, North Carolina, DMEA-2790 (Mica)" attached hereto and made a part hereof.



Sketch of
S. W. Presnell Mine
Yancey Co., N.C.

0 20' 40'
Scale

DMEA - 2790 (M

GUARANTY

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

Dated May 4, 1953.

B G Thomas (Seal)
B. G. Thomas

Wm Hall (Seal)
Mark Hall

Charlie Hall (Seal)
Charlie Hall

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2790

DO NOT DETACH THIS SLIP

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

This document has been recorded as

EXPLORATION ASSISTANCE

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

Routing Slip

Cy's to USGS, USBM, REG.VII,

To:	Code 600, Rm. 4637	Date	11/26/52
To:	[illegible]	Date	12/1/52
To:	Oper Comm	Date	12-15-52
To:	Oper Comm	Date	4-3-53
To:	Oper Comm	Date	4-22-53
To:	Oper Comm	Date	7-10-53
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

IN REPLY REFER TO:
G-MD-CNM

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

MAR 30 1954

March 29, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2790 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: B. G. Thomas, Spruce Pine, North Carolina.
Name of property: Clear Mine.
Location of property: Yancey County, North Carolina.
Date of field team report: March 12, 1954.
Authorship of field team report: L. E. Shirley and K. H. Teague and D. H. Amos.
Field team's recommendation: 75' additional crosscuts and drifts.
Comments: Examiners believe it necessary to get below probable shoots.
ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

File Copy
Surname:
Anderson
Smith
Martin
Chamberlain

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

MAR 12 1954

Mr. B. G. Thomas, Manager
S. W. Presnell Mica Mineers
Spruce Pine, North Carolina

Re: Docket No. DMEA-2790 - Mica
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Lim-E512

Dear Mr. Thomas:

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

Total allowable costs incurred	$9,522.70
Total Government contribution at 90 percent	$8,570.43

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

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

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

Sincerely yours,

J. O. Mittendorf (fw)

Administrator

WCAnderson:gad 3/8/54
Copy to: Admr. R. File
Docket File
Field Team, Reg. 7
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.S.L. 3-12-54

File Copy
Surname:
Anderson

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

Project Summary Report

By: Walter C. Anderson March 8, 1954

1. DMEA Docket No. 2790 - Mica
Contract No. Idm-E512
S. W. Presnell Mine
Yancey County, North Carolina

Operators: B. G. Thomas, Mark Hall and Charlie Hall, d/b/a
S. W. Presnell Mica Miners
C/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Operator's Property Rights -
Lease and Option - dated June 29, 1951.
Guaranty of payments, signed by partners - 5/4/53

2. Contract - dated April 23, 1953

Work authorized:

Rental - bulldozer - 50 hrs @ $12.00/hr.	$600.00
Supervisor - 50 hrs. @ $1.50/hr.	75.00
Miscellaneous and contingencies	50.00
Access road - 2,500 ft. @ $0.60/ft.	1,500.00
75 feet of shaft @ $55.00/ft.	4,125.00
130 ft. of drift and crosscut @ $35.00/ft.	4,550.00
300 ft. of long jackhammer holes @ $1.00/ft.	300.00
Total estimated cost	$11,200.00
Government participation @ 90%	$10,080.00

Amendments: No. 1 - 7/10/53. Shaft sinking was changed from 75 feet to 61.36 feet and 30 linear feet of excavation at $25.00 per foot was added to the contract. No change in total estimated cost.

No. 2: 11/20/53 - Extended completion date from seven months to ten months.

Work completed:

Bulldozing 50 hrs. @ $12.00/hr.	$600.00
Supervisor - 50 hrs. @ $1.50/hr.	75.00
Access road - 2,500 ft. @ $0.60/ft.	1,500.00

R.C.G.
3-11-54

61.36 ft. of shaft @ $55.00/ft.	3,374.80
90.14 ft. of drift @ $35.00/ft.	3,154.90
68 ft. of jackhammer holes @ $1/ft.	68.00
30 linear ft. of excavation @$25/ft.	750.00
Total accepted cost	$9,522.70
Government participation @ 90%	$8,570.43

Work began on May 13, 1953, and was terminated by agreement after commencement but before completion of the work on December 31, 1953.
Final Field Team Report - dated February 1, 1954.

3. Audit certificate: Issued January 20, 1954 (no exceptions)

4. Certification of Discovery - None issued.

5. Comments:

How conducted -
1. Good supervision.
2. Progress satisfactory at all times, except when workers left to harvest tobacco.

Operation - good.

Engineering - Reports submitted promptly and were better than average.

Geological premise - The premise that the pegmatite continued down below old workings was wrong. Only a few scattered books of ruby mica were found in the upper part of the exploration work the results of which suggested that all the good mica ore was removed during previous mining.

Geological criteria upon which work was based -
1. Unzoned pegmatite 3 to 8 feet thick.
2. Mica distributed throughout the pegmatites.
3. Past operations have yielded more than $60,000 worth of mica.

Criteria developed during project - none.

Future possibilities - no additional work warranted.

Recommendations - concur with field team that no certification be made.

WCAnderson:gad 3/9/54
Copy to: Admr. R. File
Docket File
Mr. Houk

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

Project Summary Report

By: Walter C. Anderson March 8, 1954

1. DMEA Docket No. 2790 - Mica
Contract No. Idm-E512
S. W. Presnell Mine
Yancey County, North Carolina

Operators: B. G. Thomas, Mark Hall and Charlie Hall, d/b/a
S. W. Presnell Mica Miners
C/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Operator's Property Rights -
Lease and Option - dated June 29, 1951.
Guaranty of payments, signed by partners - 5/4/53

2. Contract - dated April 23, 1953

Work authorized:

Rental - bulldozer - 50 hrs @ $12.00/hr.	$600.00
Supervisor - 50 hrs. @ $1.50/hr.	75.00
Miscellaneous and contingencies	50.00
Access road - 2,500 ft. @ $0.60/ft.	1,500.00
75 feet of shaft @ $55.00/ft.	4,125.00
130 ft. of drift and crosscut @ $35.00/ft.	4,550.00
300 ft. of long jackhammer holes @ $1.00/ft.	300.00
Total estimated cost	$11,200.00
Government participation @ 90%	$10,080.00

Amendments: No. 1 - 7/10/53. Shaft sinking was changed from 75 feet to 61.36 feet and 30 linear feet of excavation at $25.00 per foot was added to the contract. No change in total estimated cost.

No. 2: 11/20/53 - Extended completion date from seven months to ten months.

Work completed:

Bulldozing 50 hrs. @ $12.00/hr.	$600.00
Supervisor - 50 hrs. @ $1.50/hr.	75.00
Access road - 2,500 ft. @ $0.60/ft.	1,500.00

61.36 ft. of shaft @ $55.00/ft.	3,374.80
90.14 ft. of drift @ $35.00/ft.	3,154.90
68 ft. of jackhammer holes @ $1/ft.	68.00
30 linear ft. of excavation @$25/ft.	750.00
Total accepted cost	$9,522.70
Government participation @ 90%	$8,570.43

Work began on May 13, 1953, and was terminated by agreement after commencement but before completion of the work on December 31, 1953.
Final Field Team Report - dated February 1, 1954.

3. Audit certificate: Issued January 20, 1954 (no exceptions)

4. Certification of Discovery - None issued.

5. Comments:

How conducted -
1. Good supervision.
2. Progress satisfactory at all times, except when workers left to harvest tobacco.

Operation - good.

Engineering - Reports submitted promptly and were better than average.

Geological premise - The premise that the pegmatite continued down below old workings was wrong. Only a few scattered books of ruby mica were found in the upper part of the exploration work the results of which suggested that all the good mica ore was removed during previous mining.

Geological criteria upon which work was based -
1. Unzoned pegmatite 3 to 8 feet thick.
2. Mica distributed throughout the pegmatites.
3. Past operations have yielded more than $60,000 worth of mica.

Criteria developed during project - none.

Future possibilities - no additional work warranted.

Recommendations - concur with field team that no certification be made.

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

February 12, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2790

Contract Number: Idm-E512

Applicant: Presnell Mica Miners

Name and Location of Property: S. W. Presnell Mine
Yancey County, North Carolina

Date of Field Team Report: February 2, 1954

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

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. Strategic mica was not encountered.
2. Expenditures:

Total approved	$11,200.00
Total costs	9,522.70
Government's share	8,570.43
Value	None

Recommendation:

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

W. F. Dietrich
W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1954

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

February 9, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2790 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: S. W. Presnell Mica Miners, Spruce Pine, N. C.
Name of property: Presnell (Presley) Mine
Location of property: Yancey Co., N. C.
Date of final field team report: Feb. 1, 1954
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation: No certification be issued.
Comments: No significant pegmatite found.

RECOMMENDATION: 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.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

February 2, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 7

Subject: Final Reports. DMEA-2790, Idm-E 512 (mica)
S. W. Presnell Mica Miners, Spruce Pine, N. C.

Enclosed herewith are 4 copies each of the Operator's final engineering and geologic report, and the Field Team final report on the subject exploration contract.

The Field Team agrees with the recommendation that certification of discovery should not be issued.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

FINAL REPORT

Spruce Pine, North Carolina
January 20, 1954

Mr. Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Re: DMEA - 2790, Idm-E 512
S. W. Presnell Mica Miners
S. W. Presnell Mine, Yancey Co., N. C.

Dear Sir:

Work was commenced on the above name exploration contract May 13, 1953, and work was terminated December 12, 1953.

The work on this contract was carried on in a satisfactory manner and no serious difficulty was encountered in the work which was done. The applicants sank a 40 degree incline approximately 61½ feet and no vein of mica bearing pegmatite was encountered. Then the applicant drove a drift 71½ feet south and no mica bearing pegmatite was contacted. The applicant then drove a crosscut 18½ feet all of which was part of the contract and all this work was done in slate. Then the applicant drove a crosscut on his own expense for a distance of 18 feet east with the same results as the other works. Sixty-eight feet of test drill holes was drilled at various places in the underground workings as pointed out by the DMEA Field Team, and no vein materials was contacted.

The applicant here with submits 5 copies of the map showing the underground workings of the S. W. Presnell Mine.

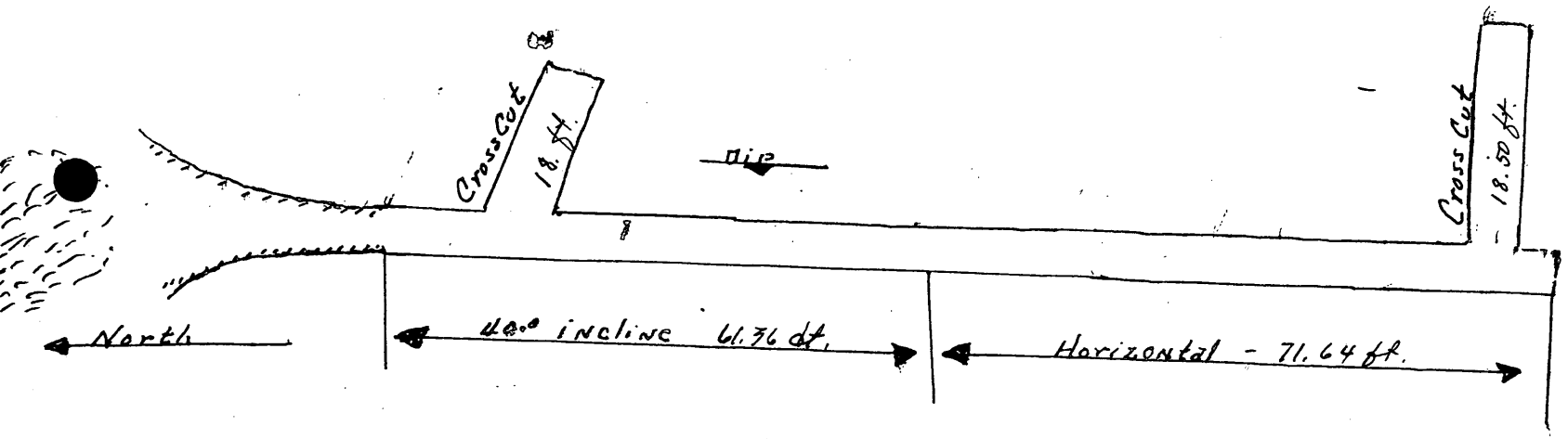
We wish to take this opportunity to thank the DMEA for their cooperation in the exploration of this mine. If there is any further information that your office desires please let us hear from you.

Very truly yours,

B. G. Thomas

B. G. Thomas

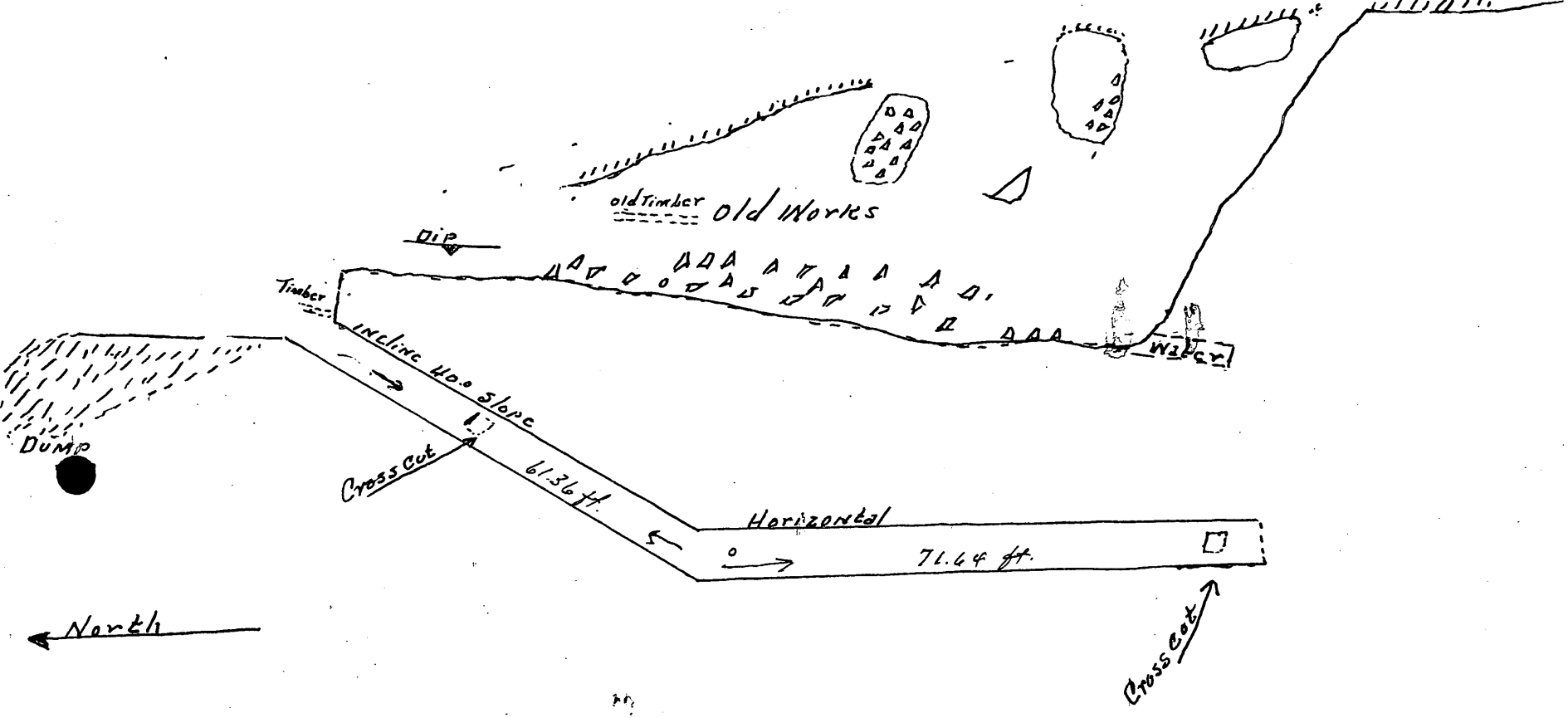
B. GT/ lc



S.W. Presnell Mine
Underground section

Scale 1 - 20

Plan



S.W. Presnell Mine

Longitudinal Section of the East Wall

Scale 1-20

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

COPY

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

February 2, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 7

Subject: Final reports. DMEA-2790, Idm-E 512 (mica)
S. W. Presnell Mica Miners, Spruce Pine, N. C.

Enclosed herewith are 4 copies each of the Operator's final engineering and geologic report, and the Field Team final report on the subject exploration contract.

The Field team agrees with the recommendation that certification of discovery should not be issued.

/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

2-8-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
ON

DMEA-2790, Idm-E 512, (mica)

S. W. PRESNELL MICA MINERS, Spruce Pine, N. C.
Yancey County, N. C.

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

February 1, 1954

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

FINAL REPORT
ON
DMEA-2790, S. W. PRESNELL MINE
(mica)
Contract Idm-E 512

Operators: B. G. Thomas, Mark Hall, and Charlie Hall, Partners d/b/a S. W. Presnell Mica Miners, Spruce Pine, N. C.

The S. W. Presnell (Presley) Mine is located on the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, North Carolina.

Work done under contract consisted of 2500 feet of access road, an open cut 30 feet long, shaft site preparation, a 61.36 foot incline shaft, 90.14 feet of lateral work, and 68 feet of test drill holes. No pegmatite of commercial significance was discovered and when it became apparent that the pegmatite did not extend downward to the level from which the lateral work was conducted, the contract was terminated by mutual agreement effective December 31, 1953. No certificate of discovery should be issued.

Work began on May 13, 1953 and ended on November 5, 1953. An access road of approximately 2500 feet was constructed from the Balsam Mine to subject mine. While preparing a shaft site, unweathered pegmatite was exposed 30 feet to the north of the shaft site proposed in the contract and 15 feet lower in elevation. To explore this extension of the pegmatite and to collar the shaft in unweathered rock, a 30 foot open cut was made at this location under Amendment No. 1, dated July 10, 1953. A 35° incline shaft trending S 5° W was sunk from the bottom of the open cut to an incline depth of 65 feet. A drift was then extended to the south for 71.64 feet and a crosscut was driven in a S 80° E direction for 18.5 feet starting at a point 7 feet from the face of the drift. Test holes totaling 68 feet were drilled as follows:

(1) 15 foot test hole in east wall of drift at 13 foot,
(2) 10 foot test hole in west wall of drift at 34 foot,
(3) 4 foot vertical test hole in roof of drift at 36 foot,
(4) 15 foot test hole in east wall of drift at 39 foot,
(5) 15 foot test hole in west wall of drift at 65 foot,
(6) 9 foot test hole in face of crosscut.

An unweathered pegmatite was exposed in the open cut. It strikes N-S and dips about 40° west. Pegmatitic material occurs in the first 37 feet of the inclined shaft, but pinches out at this point. The

The material consists of quartz, feldspar, and scattered books of ruby mica. The mica is of good quality and is up to 4 inches in diameter. Only country rock, a biotite kyanite gneiss, with scattered quartz stringers was encountered in the remainder of the shaft, all of the lateral work and all of the drill holes. It appears that the pegmatite bottoms above the level of the lateral work conducted in this exploration and that almost all vein material was removed during previous mining.

Expenditures:

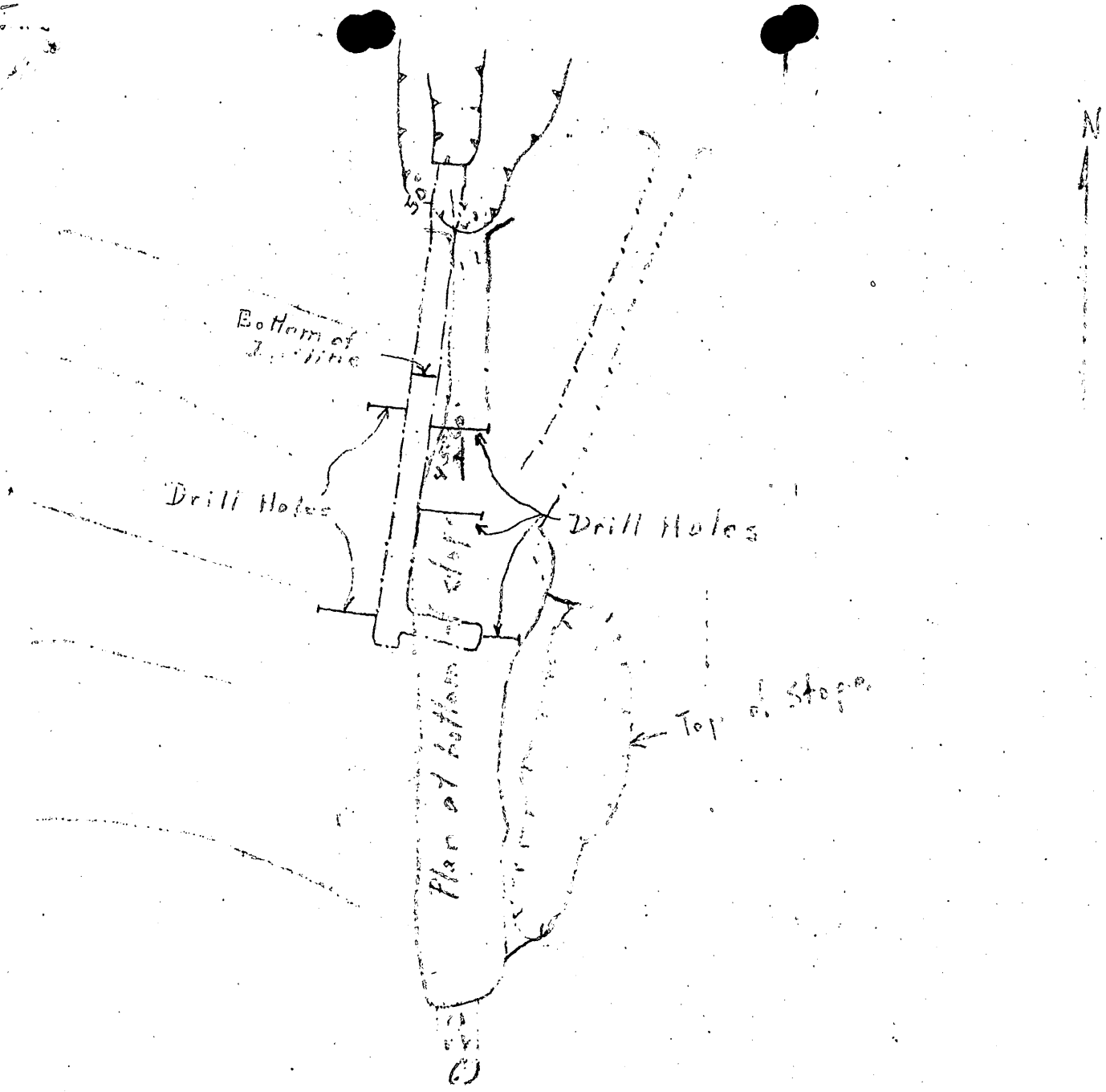
(a)	Total approved	$ 11,200.00
(b)	Total cost of project	9,522.70
(c)	Government's share of cost	8,570.43
(d)	Government's share unexpended	1,509.57
(e)	Value of production during operation - none	

The operation was conducted in an efficient and satisfactory manner. No equipment was purchased for the project.

Kefton H. Teague, U. S. G. S.

L. E. Shirley, U. S. B. M.

D. H. Amos, U. S. G. S.



Sketch of
S. W. Presnell Mine
Yancey Co., N.C.

DMEA-R/10 [illegible]

FILE COPY
surname:
Anderson
~~Lawrence G. Houk~~

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

600

January 25, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 2 - Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Idm-E512

The purpose of this amendment is to extend the completion date from November 23, 1953, to February 23, 1954. This amendment is necessary due to slow progress of the work and it is in the Government's interest to complete the project.

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

/S/

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:ag 1/25/54

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

R.C.G.
1-26-54

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

January 22, 1954

Memorandum

To: Operating Committee, D M E A- Washington

From: Executive Officer, DMEA - Region 7

Subject: DMEA-2790, Idm-E 512 (mica) Termination Agreement.

Transmitted are three signed copies of the above subject Termination Agreement signed by all partners of the Company.

The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

RECEIVED
JAN 26 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Defense Minerals Administration
RECEIVED
FEB 3 1954

FINAL REPORT

Spruce Pine, North Carolina
January 20, 1954

Mr. Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Re: DMEA - 2790, Idm-E 512
S. W. Presnell Mica Miners
S. W. Presnell Mine, Yancey Co., N. C.

Dear Sir:

Work was commenced on the above name exploration contract May 13, 1953, and work was terminated December 12, 1953.

The work on this contract was carried on in a satisfactory manner and no serious difficulty was encountered in the work which was done. The applicants sank a 40 degree incline approximately 61½ feet and no vein of mica bearing pegmatite was encountered. Then the applicant drove a drift 71½ feet south and no mica bearing pegmatite was contacted. The applicant then drove a crosscut 18½ feet all of which was part of the contract and all this work was done in slate. Then the applicant drove a crosscut on his own expense for a distance of 18 feet east with the same results as the other works . Sixty-eight feet of test drill holes was drilled at various places in the underground workings as pointed out by the DMEA Field Team, and no vein materials was contacted.

The applicant here with submits 5 copies of the map showing the underground workings of the S. W. Presnell Mine.

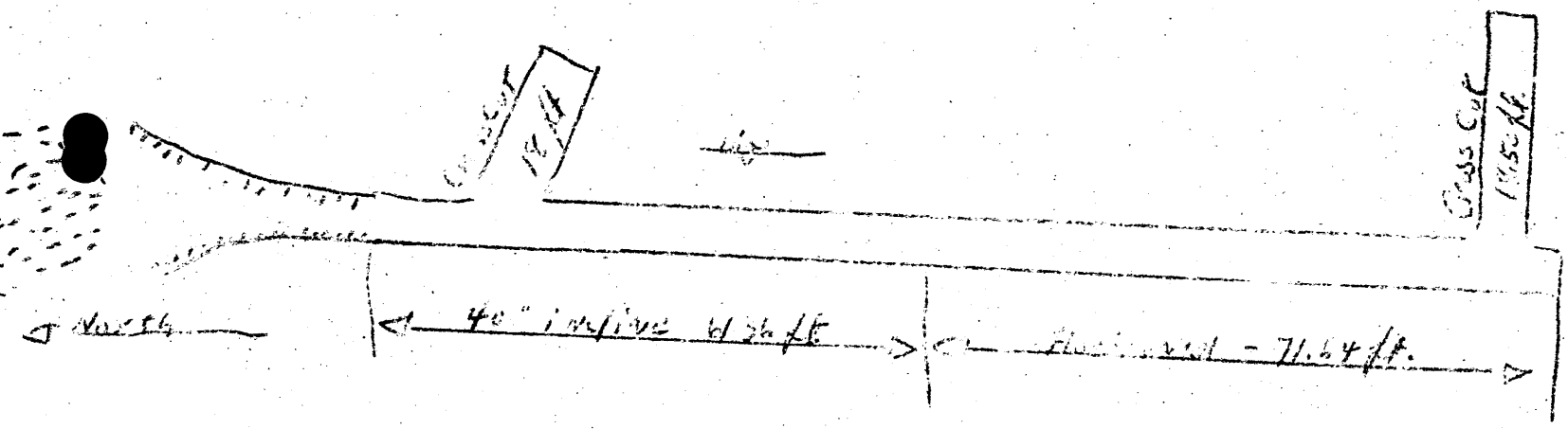
We wish to take this opportunity to thank the DMEA for their cooperation in the exploration of this mine. If there is any further information that your office desires please let us hear from you.

Very truly yours,

B. G. Thomas

B. G. Thomas

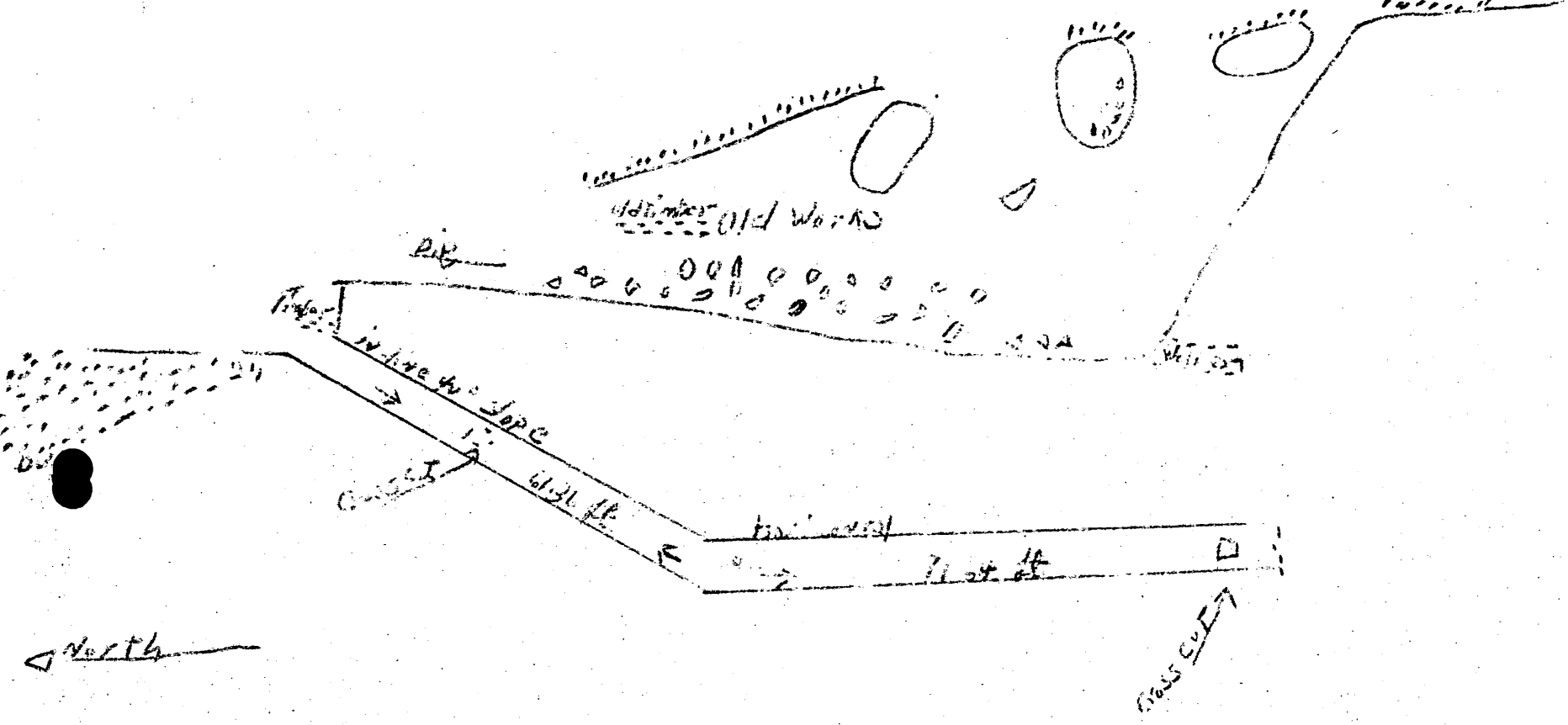
BGT/le



Plan

S.W. Presnell Mine
Underground section

Scale 1-20



S. W. Prewell Mine

[redacted] vertical section of the East wall

Level-20

FINAL REPORT

Spruce Pine, North Carolina
January 20, 1954

Mr. Robert A. Laurence, Executive Officer
DMEA Field Team, Rggion 7
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Re: DMEA - 2790, Idm-E 512
S. W. Presnell Mica Miners
S. W. Presnell Mine, Yancey Co., N. C.

Dear Sir:

Work was commenced on the above name exploration contract May 13, 1953, and work was terminated December 12, 1953.

The work on this contract was carried on in a satisfactory manner and no serious difficulty was encountered in the work which was done. The applicants sank a 40 degree incline approximately 61½ feet and no vein of mica bearing pegmatite was encountered. Then the applicant drove a drift 71½ feet south and no mica bearing pegmatite was contacted. The applicant then drove a crosscut 18½ feet all of which was part of the contract and all this work was done in slate. Then the applicant drove a crosscut on his own expense for a distance of 18 feet east with the same results as the other works . Sixty-eight feet of test drill holes was drilled at various places in the underground workings as pointed out by the DMEA Field Team, and no vein materials was contacted.

The applicant here with submits 5 copies of the map showing the underground workings of the S. W. Presnell Mine.

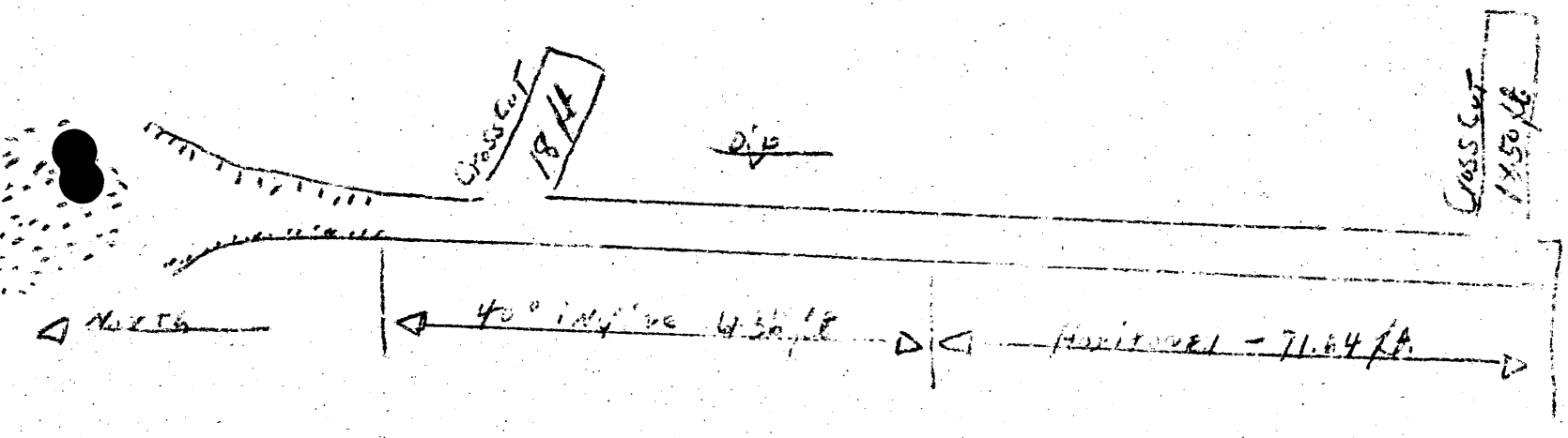
We wish to take this opportunity to thank the DMEA for their cooperation in the exploration of this mine. If there is any further information that your office desires please let us hear from you.

Very truly yours,

B. G. Thomas

B. G. Thomas

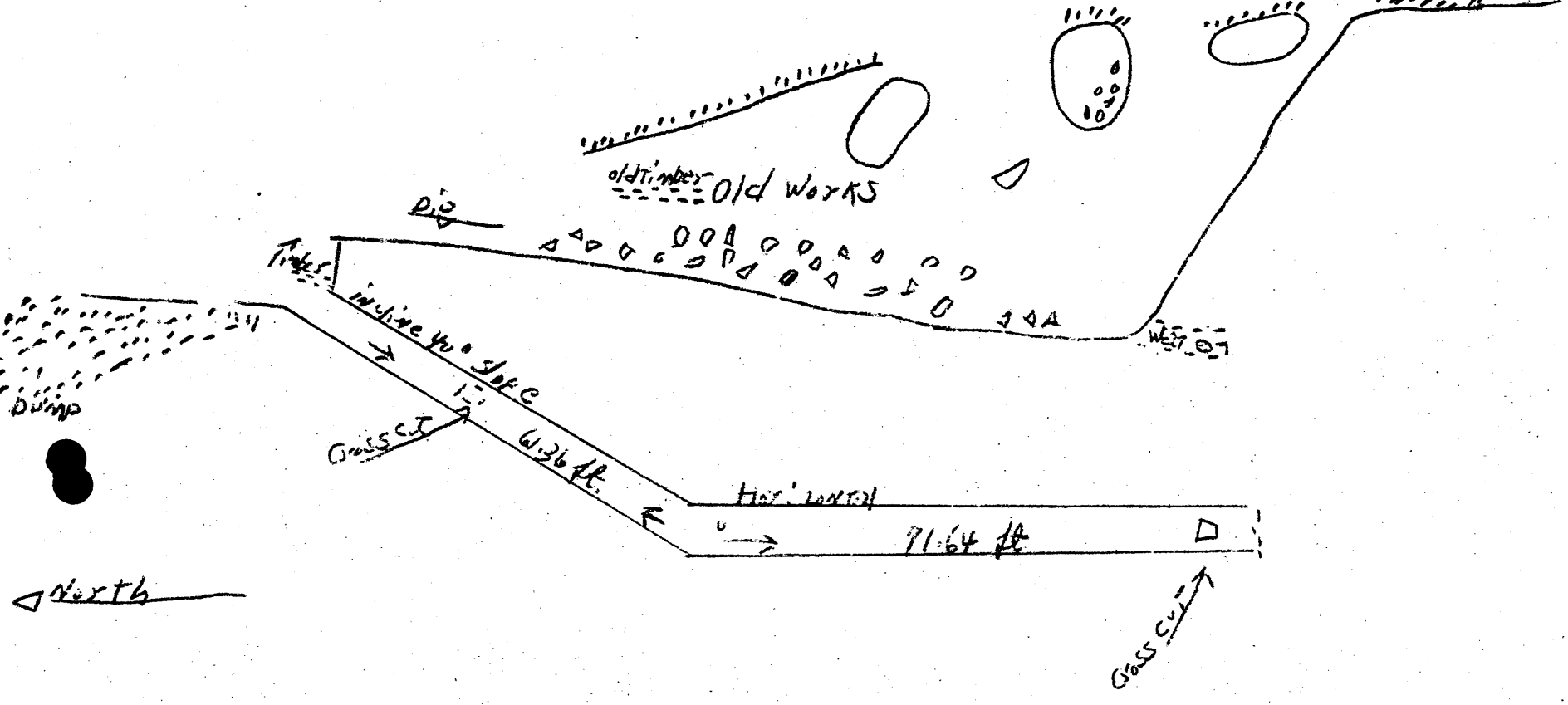
BGT/lc



Plan

S. W. Presnell Mine
Underground Section

Scale 1 - 20



S.W. Presnell Mine

Longitudinal Section of the East wall

6/21-20

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

It is suggested that no additional work be authorized at this mine and that permission be given to terminate the contract. An incline was sunk for a distance of 61.36 feet to the south, at which point the incline was leveled off and an additional 71.64 feet of drift or cross-cut was driven to the south without intercepting pegmatite material. An 18.5 foot lateral was driven from this drift at a point 7 feet from the face which trends S 80° E. A 9 foot horizontal test hole was drilled in this face; no pegmatite was encountered. A 15 ft. test hole was drilled in the ~~east~~ west wall of the main drift at 64.64 feet which did not pick up pegmatite. Apparently this pegmatite does not extend downward to the level from which the work was conducted. Work accomplished places the position of the present face far beyond the extent of the old workings to the south as observed on the surface.

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 4, 1953

FILE COPY
SURNAME:
98

Houk
Selfridge
Chapman
Hoffman
Mittendorf

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

600

JAN - 6 1954

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

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Idm-E512

Dear Mr. Laurence:

Reference is made to your memorandum to the Operating Committee dated December 11, 1953 and the Interim Report dated December 4, 1953, requesting permission to terminate the subject contract by mutual agreement.

You may terminate the subject contract by mutual agreement using the regular forms and making the usual distribution of copies.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

GCS

Approved

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

D. M. Larrabee (GCS)
Member, Geological Survey

LGHouk:gad 1/5/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

1-6-54

SURNAME COPY

Houk
Hoffman
Chairman
Selfridge

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

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

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Idm-E512

Dear Mr. Laurence:

Reference is made to your memorandum to the Operating Committee dated December 11, 1953 and the Interim Report dated December 4, 1953, requesting permission to terminate the subject contract by mutual agreement.

You may terminate the subject contract by mutual agreement using the regular forms if it is probable that no production will be made from the subject mine. If there is doubt as to production possibilities, you may use the enclosed forms which gives the Government the right to royalty on all production without certification. Six copies of mutual termination agreement, with royalty repayment clause and signed by the Administrator are enclosed for the Operator's signature if you deem this procedure advisable.

Sincerely yours,

George C. Selfridge (24B)

Chairman, Operating Committee

Approved:

J. H. Hedges (24B)

Member, Bureau of Mines

D. M. Larrabee (24B)

Member, Geological Survey

Enclosures 6

L. G. Houk:gad 1/4/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

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

Hoffland
Hough
Selfridge
Van Steenburg

January 5, 1954

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

Re: Docket No. DMEA-2790 (Mica)
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, N. C.
Contract Idm-E512

Docket No. DMEA-2595 (Mica)
Bourne Associates
Liberty Mine
Randolph County, Ala.
Contract Idm-E472

Dear Mr. Laurence:

Reference is made to letters of the Operating Committee of this date in which it is indicated that termination of the subject contracts may be made on what is referred to as "the regular mutual termination agreement." This termination-agreement form is attached to DMEA Circular 22 and is entitled "Termination of Exploration Project Contract by Agreement after Commencement but before Completion of the Work."

The form referred to was devised before unit-cost contracts were in use, and requires some modification when such a contract is the subject of the termination agreement. Inasmuch as both of the subject contracts are of the unit-cost variety, you should make the following changes in the "regular form" termination agreement:

1. Replace the second paragraph, which starts with the words: "Any work prosecuted or costs incurred . . ." with the following paragraph:

> "The Operator shall promptly render to the Government a full and final report and final accounting of units of work performed under the contract to and including the date first above written. Any units of work performed after the date first above written shall be for the sole account of the Operator, without contribution by the Government."

2. In the case of Bourne Associates, which it is my understanding probably will be certified, add the following paragraph:

> "None of the Government's rights under the contract with respect to a percentage royalty and lien for the payment thereof are prejudiced or in any way affected by this termination agreement."

I am taking this action to save time, in that the letters of the Operating Committee to you are already signed, and if I advised you through the Operating Committee it would take several days to get the letters signed over again.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund:ep

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk
Mr. Hofflund
Chron.

1-6-54

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

Defense Minerals Administration
RECEIVED
DEC 17 1953

December 15, 1953

Memorandum

To: Chairman, Operating Committee, D M E A- Washington

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

Subject: Amendment No.2. DMEA-2790, Idm-E 512. S.W. Presnell Mica-Miners.

Transmitted are three copies of the above subject amendment properly signed by each member of the company. The customary distribution of the other copies has been made.

Robert A. Laurence
Robert A. Laurence

RECEIVED
JAN 27 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

12-17

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

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 17 1953

December 15, 1953

Mr. B. G. Thomas

Spruce Pine, N. C.

Re: DMEA-2790, Idm-E 512 (mica)
S. W. Presnell Mica Miners

Dear Mr. Thomas:

Your December Voucher, marked "final" has been received.

We have requested, but not yet received, authorization to terminate the Presnell contract as of December 6. Until this authorization is received, we will hold the final voucher. As soon as we receive it, forms for termination by mutual agreement will be sent to you for signature. I must emphasize that, until we receive such authorization to terminate, the contract is considered to be active.

Yours very truly,

Robert A. Laurence

EXECUTIVE OFFICER
DMEA REGION VII

RAL/sm
cc:
Peck
Lynch
Opr. Com
Files

December 11, 1953

Mr. B. G. Thomas

Spruce Pine, North Carolina

Re: DMEA-2790, Idm-E 512 (mica)
S. W. Presnell Mica Miners

Dear Mr. Thomas:

On November 23, Mr. Beck sent you six copies of Amendment No. 2 to the subject exploration contract extending the completion date 90 days, to be signed and returned to this office. We have not eyt received it.

Will you please give this your immediate attention? All three partners in the company should sign all six copies, and the original and four copies should be returned to me.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA Region 7

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

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

December 11, 1953

Memorandum

To: Chairman, Operating Committee, DMEA, Washington

From: Field Team, Region VII

Subject: DMEA-2790, Idm-E 512 (Mica)
S. W. Presnell Mica Miners, Yancey County, N. C.
Request for authorization to terminate

Please refer to interim report dated December 4, 1953, recently mailed to your office.

It appears obvious that further work will not be justified, and we agree with the field examiners' conclusions.

Therefore, we request authorization to terminate this contract by mutual agreement with the Operator.

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

W A Beck /B.G.
Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

FILE COPY
SURNAME:

Houk

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

DEC 4 1953

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

Dear Mr. Laurence:

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

Docket	Contract	Completion date
DMEA-2733	Idm-R526	November 21, 1953
DMEA-2790	Idm-I512	November 23, 1953

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

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

12-4-53

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

Crosscutting continues on this contract and is now at 65 feet from the incline bottom. Most of the material encountered continues to be hard biotite gneiss. Present face shows quartz stringers cutting the gneiss, but no definite pegmatite material. The operator was advised to drill test holes in both walls before pulling another heading.

L. E. Shirley

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

K. H. Teague

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

November 20, 1953

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

Crosscutting continues and is now at 46.5 feet. Test holes that have been drilled to date at intervals, as crosscutting advanced from the inclined bottom, are as follows: 15 ft. horizontal holes on the left wall at 13 ft. and 39 ft., one 10 ft. hole in the right wall at 34 ft. and one 4 ft. vertical hole in the roof at 36 ft. No pegmatite was encountered in any test holes drilled to date. The present face consists of biotite schist and quartz stringers.

Recent progress on this contract has been slow, but it is expected to speed up now that the harvesting season is ending and all labor is returning to the job.

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 19, 1953

mDs

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

Crosscutting continues on this contract and is now at 31 feet from the inclined shaft bottom. Present face shows stringers of quartz 6-8" in width and mica schist. No additional test holes have been made, but it was suggested that more test holes be drilled as soon as possible. No change in the target is anticipated and crosscutting will continue in the same direction for the present.

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

September 25, 1953

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, North Carolina.

Crosscutting continues on this contract in the same general direction and heading has been advanced 22.64 ft. from the inclined shaft bottom. Test holes completed in the left wall total 15 feet. Last drill holes in the face picked up quartz and/or feldspar at a point 25 feet from the shaft, but results cannot be obtained until after the next heading is pulled. It was suggested that additional test holes be made as soon as possible. Progress has been impeded recently on this project because workers have been harvesting tobacco.

L. E. Shirley

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

K. H. Teague

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

September 10, 1953

mds

INTERIM REPORT

IMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Mines, C/O B. G. Thomas, Spruce Pine, N. C.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, North Carolina.

Inclined shaft sinking has been completed on this contract and after leveling off, a crosscut is being driven straight ahead. Drill steel in long lengths has been obtained and one 15 ft. test hole completed in the hanging wall. No pegmatite material has been encountered, but a 3-4 ft. quartz zone was observed in the area of the first test hole. Inclined shaft and crosscut footage totals 77 feet. It was suggested that additional long test holes be drilled as soon as possible in the advancing face, at an angle of 45° in the roof and in hanging and footwalls as advance is made on the crosscut. Material encountered with exception of the quartz, has been biotite schist.

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

August 28, 1953

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 0.5 miles southeast of Burnsville, Yancey County, N. C.

Inclined shaft sinking continues on this contract and is now at 61.3 feet. Present heading is in biotite schist with occasional stringers or pods of granitic material. Sinking has been on a 35° angle, to the west. At 36 feet a small pod was encountered, but this produced no mica. Crosscutting will begin in the near future.

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 14, 1953

DEPARTMENT OF THE INTERIOR
Defense Materials Administration
RECEIVED
AUG 13 1953

96

INTERIM REPORT

IMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

Inclined shaft sinking continues on this contract and is now at 51.5 feet. No pegmatite material has been encountered in the last 15 ft. of advance which has been in mica schist. It was suggested that the degree of incline be leveled off at or near this footage in an effort to pick up the body.

Progress on this contract has been satisfactory.

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 31, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 20 1953

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N.C.

Inclined shaft sinking is in progress on this contract and is now at 36 feet. Course pegmatite material was showing in the heading composed of quartz, feldspar and occasional pieces of ruby mica. Material encountered up to 34 feet was mica schist. Progress on this contract is satisfactory.

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

K. H. Teague (KHT)
K. H. Teague, Geologist
U. S. Geological Survey

July 17, 1953

EXECUTIVE OFFICER
DMEA REGION VII

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Department of the Interior
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, Idm-E418 (mica) Conway Nevis. Amendment No. 2

DMEA-2790, Idm-E512 (mica) S. W. Fresnell Mica Miners. Amendment No. 1

DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Amendment No. 1

Robert A. Laurence

xm.
cc:
Beck
Lync
Finance Office
Laurence

cal
7-23

FILE COPY
SURNAME:

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

JUL 10 1953

Feitler
Houk
Chandler
Selfridge
Johnson

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

Subject: Docket No. DMRA -2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Idm-2512

Dear Mr. Laurence:

Please find herewith the original and five copies of Amendment No. 1 to the subject contract which have been signed by the Administrator.

If the amendment meets with your approval, present it to the Operator for its approval and signature. If any part of this amendment does not have either your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

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

Sincerely yours,

George C. Selfridge (JHB)
Chairman, Operating Committee

Approved:

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

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

Enclosures 6

SAFeitler:dec 7/8/53
Copy to: Admr. ~~R. File~~
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.J. 7-10-53

FILE COPY
SURNAME:

Feitler

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

July 6, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1 - Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Idm-E512

Purpose: To provide for a trench 15 feet deep in lieu of 14 feet of shaft sinking.

Justification: The proposed change will provide additional surface exploration and the shaft will be collared in better ground. The maximum depth explored will be slightly greater at no additional cost.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the attached amendment which has been prepared to conform to the recommendations in the memorandum submitted by the Field Team on June 24, 1953.

Signed
Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 7/6/53
Copy to: Admr. R. File
Docket File
Mr. Houk

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

July 6, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1 - Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina
Contract No. Idm-E512

Purpose: To provide for a trench 15 feet deep in lieu of 14 feet of shaft sinking.

Justification: The proposed change will provide additional surface exploration and the shaft will be collared in better ground. The maximum depth explored will be slightly greater at no additional cost.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the attached amendment which has been prepared to conform to the recommendations in the memorandum submitted by the Field Team on June 24, 1953.

Stanley A. Feitler
Stanley A. Feitler
Nonmetallic Minerals Division

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Bresnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

The preparation of a shaft site by removal of approximately 30 feet of weathered country rock and pegmatite material has been completed. A lofting has been erected over the incline entrance and has been loaded satisfactorily to insure safe conditions. Inclined shaft sinking has begun and is now at 4 feet. Timbers will be used where needed during sinking. It was suggested that certain sections of the lofting be extended and that both vertical sides of the open cut be scaled to prevent loose rock falls.

L. E. Shirley

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

K. H. Teague

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

June 29, 1953

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

Further preparation of a shaft site, in addition to bulldozing, by benching and shooting an open cut to proposed site is almost completed. As soon as removal of muck is completed the site will be ready to begin sinking a 40° incline on the pegmatite body. Benching was necessary for 29 feet and was carried to the point where vein material was exposed.

L. E. Shirley

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

K. H. Teague

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

June 19, 1953

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

June 24, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: DMEA Field Team, Region VII

Subject: Recommended Amendment to Contract No. DMEA-2790, Idm-E512 (mica)
S. W. Presnell Mica Miners, Yancey County, N. C.

During an inspection of the subject contract on June 19 by the Field Examiners, K. H. Teague, and L. E. Shirley, it was observed that after completion of the preparation for the shaft site as set up in the contract, unweathered pegmatite was exposed approximately 30 feet further north and 15 feet lower in elevation than the west portal. In order to explore this portion of the pegmatite and to secure safe unweathered rock for the inclined shaft collar, it is recommended that the contract be amended to allow for making a 30-foot open cut approximately 10 feet in width at the bottom. Money for this item may be taken from the money allotted for shaft sinking.

This change will not alter the depth to be reached by the incline, as the reduction in footage of the incline will be gained by the open cut and no change in the total amount of the contract will be needed.

It is suggested that the "Estimated Costs of the Project" Agreed Unit Costs in Exhibit "A" be revised to read as follows:

Construct access road-2500 feet @ .60¢ per foot	$1,500.00
Excavate 30 feet open cut @ $25/ft.	750.00
Sink shaft 61.36+ feet @ $55/ft.	3,375.00
Drift and crosscut 130 ft. @ $55.00/ft.	4,550.00
Drill long jack hammer holes 300 feet @ $1/ft.	300.00
Total Agreed Unit Costs.....	$10,475.00

The field team is in accord with the above recommended changes.

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

INTERIM REPORT

DMEA-2790 Idm-E512 (mica) S. W. PRESNELL MINE

OPERATOR: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina

LOCATION: On the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C.

Road construction to the mine site began on May 13, 1953 and required footage in excess of that allowable under contract. This construction has been completed satisfactorily and required approximately 180 hours of machine work and 50 hours of supervision.

Preparation of the mine site by bulldozing has also been completed, but additional work will be necessary before shafting can begin. Equipment for drilling and shooting will be moved in shortly for benching to the proposed shaft location.

L. E. Shirley

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

K. H. Teague

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

June 1, 1953

FILE COPY
SURNAME:

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

600

APR 23 1953

Feitler
Houk
Gehman
Fulton
Gelbridge
Mr. Murphy
Mr. Lawrence

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

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Mineral
S. W. Presnell Mine
Yancey 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 the Government with register number and effective date as shown.

If the contract meets with your approval, insert the starting time and time for completion in Article 3 of the contract and present it to the Operator for approval and signature by each of the partners. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

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

Please point out to the partners before they execute the contract that each is personally responsible for royalty payments in the event a certification is issued.

Sincerely yours,

Chairman, Operating Committee

Approved:

J. R. Wolfe (2KB)

Member, Bureau of Mines

A. K. Kohl, Jr. (2KB)

Member, Geological Survey

Enclosures 6

SAFeitler:gad 3/23/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

S.N. 4/23/53

P. S. The personal guarantee attached to each copy of the Contract should be signed by all of the partners.

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

April 17, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Waiver of MF-203 - Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina

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

Data and conclusions:

The Applicants, B. G. Thomas, Mark Hall, and Charlie Hall, are unable to obtain an Owner's Consent to Lien from the lessors. B. G. Thomas, Manager of the partnership, has requested that the Owner's Consent to Lien be waived. The partners are willing to give personal guarantees of repayment to the Government and have submitted the attached financial statements. The stated net worth of each partner is as follows:

W. M. Hall	$14,000.00
B. G. Thomas	27,149.00
Charlie Hall	10,000.00
Total	$51,149.00

The field report by Kefton Teague of the USGS states, "As no 'Owner's Consent to Lien' can be obtained, the credit reputation of the applicants was investigated. All enjoy an excellent credit rating in the Spruce Pine - Burnsville Area." (North Carolina)

The estimated total cost of the proposed project is $11,200.00 and Government participation, at 90%, is $10,080.00. Their aggregate net worth, $51,149.00 as

stated by the Applicants, together with the favorable report of the field examiner, indicate that the Administrator would be justified in accepting personal guarantees in lieu of an Owner's Consent to Lien.

The Legal Division will make the necessary alteration in the contract and attach a personal guaranty to each copy after the Administrator has approved the waiver.

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Feider
Hall
Gehse
Martin
Chumbler

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

600

April 17, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Waiver of MF-203 - Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina

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

Data and conclusions:

The Applicants, B. G. Thomas, Mark Hall, and Charlie Hall, are unable to obtain an Owner's Consent to Lien from the lessors. B. G. Thomas, Manager of the partnership, has requested that the Owner's Consent to Lien be waived. The partners are willing to give personal guarantees of repayment to the Government and have submitted the attached financial statements. The stated net worth of each partner is as follows:

W. M. Hall	$14,000.00
B. G. Thomas	27,149.00
Charlie Hall	10,000.00
Total	$51,149.00

The field report by Kefton Teague of the USGS states, "As no 'Owner's Consent to Lien' can be obtained, the credit reputation of the applicants was investigated. All enjoy an excellent credit rating in the Spruce Pine - Burnsville Area." (North Carolina)

The estimated total cost of the proposed project is $11,200.00 and Government participation, at 90%, is $10,080.00. Their aggregate net worth, $51,149.00 as

stated by the Applicants, together with the favorable report of the field examiner, indicate that the Administrator would be justified in accepting personal guarantees in lieu of an Owner's Consent to Lien.

The Legal Division will make the necessary alteration in the contract and attach a personal guaranty to each copy after the Administrator has approved the waiver.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gd 4/17/53

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

Mr. Feitler

Spruce Pine, N.C.
April 13, 1953

Mr. Lawrence G. Hook
Nonmetallic Minerals Division
Department of Interior, DMEA
Washington 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 1953

Dear Mr. Hook:

Enclosed are the financial Statements in reference to the S. W. Presnell - mine DMEA - 2790.

Thank you.

Sincerely yours
Tom L. Phillips, Jr.

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 11th day of April 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	1200.00	Bills Payable for Merchandise	None
Bills receivable, all good		Notes Due Banks	None
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance		Bills Payable, otherwise disposed of	None
Stocks and Bonds	6000.00	Open Accounts	None
Machinery and Fixtures	300.00	Mortgages or Liens on Real Estate	None
Real Estate Belonging to me	8000.00	Other Indebtedness and of what composed	
			None
Other Assets and of what composed		Endorsements	1500.00
		Total Liabilities	1500.00
		Net Worth	14,000.00
Total	15,500.00	Total	14,000.00 Net

Contingent Liability. Accommodation Endorsements $1500.00
Endorsed Bills Receivable Outstanding None

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Yancey County - Crabtree Township, NC	63	$ 8.000.00	$ 3.000.00	$ None
		$	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows
& Wife Ruth Hall

INSURANCE

FIRE—Buildings $ 4.000.00 Personal Property $ None Merchandise $

LIFE—$ None Who is the beneficiary

Sworn to and subscribed before me this
day of 19
Notary Public.

Please sign here WM. Hall
By
Date Signed 4-11- 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 13th day of April 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	1200 00	Bills Payable for Merchandise	$ 51 00
Bills receivable, all good	5000 00	Notes Due Banks	None
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance		Bills Payable, otherwise disposed of	None
Stocks and Bonds		Open Accounts	None
Machinery and Fixtures		Mortgages or Liens on Real Estate	None
Real Estate Belonging to Firm		Other Indebtedness and of what composed	
Other Assets and of what composed: Mining Machinery	6000 00		None
		Total Liabilities	51 00
		Net Worth	27149 00
Total	12200 00	Total	

Contingent Liability. Accommodation Endorsements $300 00

Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Mitchell County Home & Farm	12	$ 10,000 00	$ 3000 00	$ None
Yancey County Farm	4	$ 5000 00	$ 2184 00	$ None
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows

+ Wife Lola Thomas

INSURANCE

FIRE—Buildings $ 4000 00 Personal Property $ 3000 00 Merchandise $ None

LIFE—$ None Who is the beneficiary B. J. Thomas

Sworn to and subscribed before me this

day of 19

Notary Public.

Please sign here B. J. Thomas

By

Date Signed 4-13 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 11th day of April 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	500.00	Bills Payable for Merchandise	None
Bills receivable, all good		Notes Due Banks	None
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance		Bills Payable, otherwise disposed of	No
Stocks and Bonds		Open Accounts	None
Machinery and Fixtures	500.00	Mortgages or Liens on Real Estate	None
Real Estate Belonging to ~~Him~~ Me	9000.00	Other Indebtedness and of what composed	
Other Assets and of what composed			
		Total Liabilities	None
		Net Worth	
Total	10000.00	Total	10000.00

Contingent Liability. Accommodation Endorsements None
Endorsed Bills Receivable Outstanding None

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Yancey County, Crabtree Township N.C.	45	$ 9.000.00	$ 3,500.00	$ None
		$	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, ~~except as follows~~.

INSURANCE

FIRE—Buildings $ None Personal Property $ None Merchandise $ None
LIFE—$ None Who is the beneficiary

Sworn to and subscribed before me this
day of 19
Notary Public.

Please sign here Charlie Hall
By
Date Signed 4-11 1953

G U A R A N T Y

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

Dated _____, 1953.

_____(Seal)
B. G. Thomas

_____(Seal)
Mark Hall

_____(Seal)
Charlie Hall

G U A R A N T Y

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

Dated _____, 1953.

_____(Seal)
B. G. Thomas

_____(Seal)
Mark Hall

_____(Seal)
Charlie Hall

FILE COPY
SURNAME:

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

600

APR 6 1953

Houk
Chamberlin
Gilmore
Rubin
Chapman
Selfridge
Kinkel

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

Subject: Docket No. DMEA-2790 (Mica)
S. W. Presnell Mica Mineral
S. W. Presnell Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Reference is made to subject application and the procedure to determine whether Owner's Consent to Lien may be waived.

After receipt of the field team report recommending a contract, where an Owner's Consent to Lien is not obtainable, the applicant will be requested to furnish a financial statement. This statement will not eliminate the necessity of remarks by the field team on the applicant's integrity and credit reputation. If this statement is acceptable to the Washington Office, the contract will be prepared and a personal guaranty will be forwarded with the contract for execution at the same time. It is believed that the new procedure will more effectively protect the Government's interest and probably cause the applicant to make more vigorous attempts to obtain the owner's consent. The Operator must either supply a written statement from the land owner that he will not sign an Owner's Consent to Lien, or submit some evidence to indicate that he unsuccessfully endeavored to obtain an Owner's Consent to Lien from the land owner.

Additional detail on procedure is outlined in copy of enclosed letter to Mr. H. G. Thomas, DMEA-2794.

4/6/53

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

A. R. Kinkel, Jr. (JHB)
Member, Geological Survey

Enclosure

LGHouk:gad 3/30/53
Copy to: Admr. R. File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 18, 1953

Memorandum

To: Administrator

Through: Mr. Houk

From: Chief Counsel

Subject: S. W. Presnell Mica Miners - Docket No. DMEA-2790

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the attachment of the Owner's Consent to Lien. If the Owner's Consent to Lien is unobtainable, it may be waived if you are furnished with satisfactory proof of the financial ability of the operator or a guaranty is signed by a responsible third party.

J. L. Hofflund
Chief Counsel

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 18, 1953

Memorandum

To: Administrator

Through: Mr. Houk

From: Chief Counsel

Subject: S. W. Presnell Mica Miners - Docket No. DMEA-2790

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J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 18, 1953

Memorandum

To: Administrator

Through: Mr. Houk

From: Chief Counsel

Subject: S. W. Fresnell Mica Miners - Docket No. DMEA-2790

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J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

cc: Mails & Files
L. G. Houk
A. E. Kane
J. L. Hofflund
Chron.

Mr. Faulkner

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1953

February 9, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2790, Mica, S. W. Presnell Mine,
Yancey County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $10,100.00.

W. F. Dietrich

W. F. Dietrich

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

Mr. X.
DMEA-2790

Mr. S. L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

Reference is made to two samples which you presented to W. S. Flynt, Superintendent, Spruce Pine Mica Depot, one from the Presnell and the other from the Crystal Clear Mine, both in Yancey County, North Carolina.

We are unable to identify these two mines; could you send us the DMEA numbers? Samples of mica have already been submitted on DMEA-2790 and 2794. Is it possible that you have submitted two sets of samples from each of the mines?

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 2/6/53

Copy to: Admr. R. File
Records File
Field Team, Region VII
Mr. Houk

Duplicate samples
from Mr. Phillips
3-2-53

GENERAL SERVICES ADMINISTRATION

Spruce Pine, North Carolina

February 2, 1953

DMEA-2790 ?

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Houk:

Mr. S. L. Phillips has presented samples of mica from the Pressnell Mine in Yancey County and asked that we advise you as to whether or not this mica is acceptable on our mica purchasing program.

We are pleased to advise that this mica will be acceptable with proper preparation.

Yours very truly,

W. S. Flynt, Superintendent
Spruce Pine Mica Depot

IN REPLY REFER TO:
G-MD-CNM

J. M. Feitler

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

February 5, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2790 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey
Applicant: S. W. Presnell Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina.
Name of property: S. W. Presnell (Presley).
Location of property: 6.5 miles southeast of Burnsville, Yancey County, North Carolina.
Date of field team report: January 15, 1953.
Authorship of field team report: K. H. Teague.
Field team's recommendation:

1. Access road connecting with road to Balsam mine (DMEA-2733).
2. 75-foot incline.
3. 80 feet of drifts.
4. 300 feet of 15-foot jackhammer holes in foot and hanging wall.

ACTION SUGGESTED:
Follow field team's recommendation.

J. J. Norton

Mr Leitler

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
JAN 22 1953

January 20, 1953

Memorandum

To: Operating Committee, D M E A- Washington

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

Subject: Field Examination Report, D M E A-2790 (mica). S. W. Presnell Mica Miners, c/o B. G. Thomas, Applicant. S. W. Presnell Mine, Yancey County, N. C.

Transmitted herewith are 4 copies of the field examination report on the above subject mine. The Field Team concurs in these recommendations.

The center of the leased area as referred to in the lease as "center of the opening of said mine" refers to the west portal.

Also attached are 6 extra copies of a sketch of the mine for your use.

Robert A. Laurence

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

Wm A Beck

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

Reviewed by
DMEA OPERATING COMMITTEE

1-26-53
(date)

gcl
4/22/53

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2790, S. W. PRESNELL MINE
(Mica)
Yancey County, North Carolina

By

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

January 15, 1953

Reviewed by
DMEA CITIZENS COMMITTEES
1-26-53
(date)

Field Examination Report
on

S. W. PRESNELL MINE
DMEA-2790,(Mica).
Applicant: S. W. Presnell Mica Miners, c/o B. G. Thomas
Spruce Pine, North Carolina

The S. W. Presnell or Presley Mica Mine is located on the south side of the head of Bowlens Creek about 6.5 miles southeast of Burnsville, Yancey County, N. C. It is about 2000 feet southwest of the Balsam Mine, DMEA-2733 and 1.3 miles northwest of the Cattail Mine, DMEA-1876K.

This deposit produced considerable mica during the interval 1933-36. Since that date little work has been done. Mica from this deposit is of excellent quality, and dump material indicates that it occurs in association with soda feldspar. Although the old openings are too badly caved to permit examination of the pegmatite in place, information obtainable by a study of dump material suggests that a strong and persistant pegmatite has been mined. Also it would appear that the pegmatite is conformable to the schistosity of the wall rock which further suggests that the pegmatite may be persistant to depth. ?

The field examiner believes that the deposit offers possibilities for producing strategic mica and that exploration assistance is justified.. It is recommended that an inclined shaft (about 45°) 75 feet deep be sunk on the pegmatite and 80 feet of drifts be driven on the pegmatite. In addition to this work, it is recommended that long drill holes be driven in both the hanging and foot wall from both the incline and drift.

This deposit was examined on January 9, 1953. Mark Hall and S. L. Phillips accompanied the field examiner on the examination which required four hours.

Access to this mine is difficult. There is a foot trail up Bowlens Creek to the mine, but this route is too steep to permit construction of a road. The best access is via the Balsam mine road and a foot trail from that mine to the S. W. Presnell Mine. As the Balsam applicants plan to construct a new route to the Balsam mine, the Presnell mine operators will need to construct about one-half mile of new road from the Balsam mine to the Presnell Mine. As the Presnell and Balsam mines are at about the same level, the road between the two mines will follow more or less a contour. Should a contract be prepared for this project it will be better to delay the start of the operations until spring.

All three of the applicants appear to be competent to conduct the proposed operation.

The applicants hold the deposit by a lease from the heirs of the Ray Estate, deed to which is recorded in Book 6, P. 224, Yancey County, North Carolina. There is no overlap between this lease and the one covering either the Wray Mine, DMEA-2647, or Balsam Mine DMEA-2733. As no "Owner's Consent to Lien" can be obtained, the credit reputation of the applicants was investigated. All enjoy an excellent credit rating in the Spruce Pine - Burnsville area.

There are no buildings or facilities on the property. Old workings consist of two drifts that connect to an underground stope which is about 80 feet long and extends from the drift levels to top of ground (about 50 feet at the south end).

These openings have exposed a north-south trending pegmatite body which has been worked along the strike about 100 feet. The pegmatite appears to dip from 45° to 60° west. It appears to be from 3 to 8 feet thick and at the point where cut by the drifts a roll in the footwall increased the thickness to about 12 feet. Distribution of mica in the pegmatite cannot now be determined, but reports suggest that it occurred through the vein. Composition of the pegmatite appears to be uniformly coarse, being composed of plagioclase (albite), smoky quartz, and mica. No zoning is now apparent.

The mica is hard, flat, clear, splits, well and ruby colored. Reports suggest that much large mica was recovered when the mine was active.

This mine was worked during 1933-36 by Stanley E. Presnell who is reported to have sold in excess of $60,000.00 worth of mica when prices were low.

The following recommended program is essentially the same as the applicants.' The field examiner recommends that an access road be constructed from the Balsam mine to the Presnell mine and the site prepared for sinking the incline. Then an incline should be sunk following the pegmatite down the dip for approximately 75 feet. As both the biotite gneiss wall rock and the pegmatite are unweathered, little timber will be required except at the collar. About 80 feet of drifts are recommended from the bottom of the shaft. To test for possible parallel mica pegmatites, 15-foot jackhammer drill holes should be driven in both the hanging and foot wall at about 20-foot intervals from both the incline and the drift.

Estimated Costs:

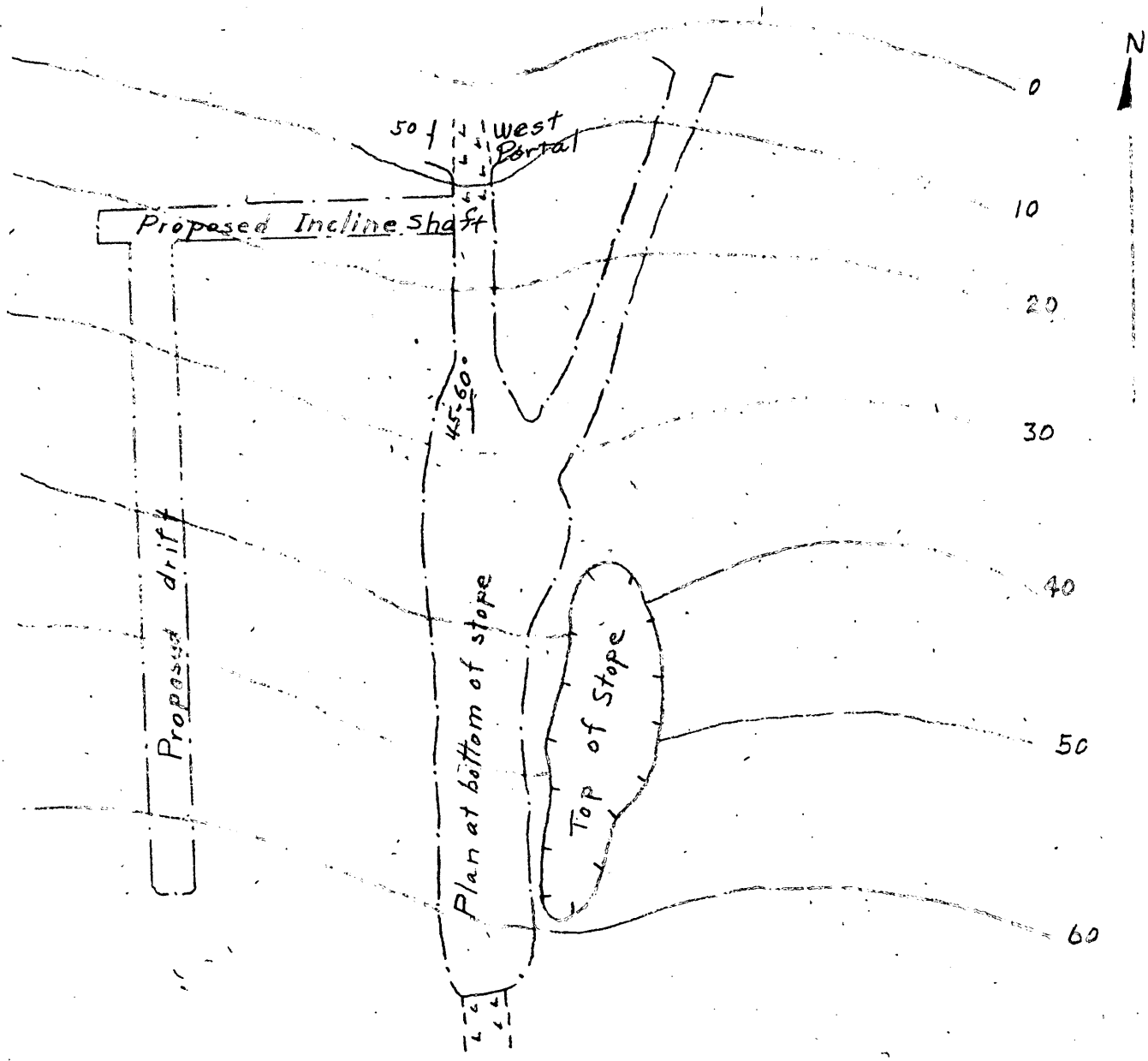
Construction of approximately 2500 ft. of excess road @ $.60 cents per liniar foot	$1500.00
To prepare site for incline	
Bulldozer, 50 hrs. @ $12/hr.	600.00
75 foot incline, 5' x7' @ $60.ft.	4500.00
80-feet of drifts @ $40/ft.	3200.00
300 feet of jackhammer holes drilled @ $1/ft.	300.00
Estimated total cost	$10,100.00

Estimated time required ..130 shifts.

January 15, 1953

Kefton H. Teague, Geologist
USGS.

zm



Sketch of
S. W. Presnell Mine
Yancey Co., N.C.

0 20' 40'
Scale

DMEA - 2790 (Mica)

Mr. Fritz

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

Spruce Pine, N. C.
December 30, 1952

U. S. Department of Interior
Defense Minerals Exploration Adm.
Washington 25, D. C.

RE: Docket No. DMEA-2790 - Mica
S. W. Presnell Mine
Yancey County, N. C.

Gentlemen:

With reference to your letter of December 16, 1952, this is to advise that the deed to the property covered by the above captioned lease is recorded in Book No. 6, Page 224, Register of Deeds, Yancey County.

Very truly yours,

B. G. Thomas

B. G. Thomas

CC:
Mr. Robert A. Laurence,
Executive Officer
Defense Minerals Exploration Adm.
Knoxville 2, Tennessee

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

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

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

Not To Be Filled in by Applicant

Docket No. dmea - 2790
Metal or Mineral
Date Received 11/26/52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 6 1952

Name and address of applicant

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Date October 31, 1952

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

DMA Docket Number (if available)

INSTRUCTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

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

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

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

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

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

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

CERTIFICATION

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

S. W. Presnell Mica Miners
(Name of company)

By C B Collins
(Signature of authorized official)

October 31, 1952
(Date)

Washington Representative
(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

MF103 DEFENSE MINERALS EXPLORATION ADMINISTRATION

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

1. (a) The property involved is located on the estate of the Ray heirs, and lies on Rowlands Creek, 6½ miles, approximately 2 miles Northeast of Micaville and 1 mile South of Kona, Yancey County, North Carolina. A legal description of the property on which the S. W. Presnell Mine is located is attached as Exhibit A.

(b) This property is covered by a 5 year lease held by the three partners and runs for a period of five years with the option to renew for 5 additional years. A copy of the lease granting the partners the right to mine is attached as Exhibit A.

(c) (1) The area to be explored, and the area leased, are identical.
(2) The landlords, the Ray heirs, will not subject this area to a subordination agreement, nor will they grant an Owner's Consent to Lien to the U. S. Government. However, the land is held by a 5 year lease with the option to renew for 5 years, or a total of ten years. Since an Owner's Consent to Lien would run for no longer period of time, the position of the partners and the Government stands as good, if not better, than if an Owner's Consent to Lien were obtainable.

2. (a) Strategic grade sheet mica.

(b) The applicant has not been able to find a geological or engineering report covering this mine. However, the mine has been previously worked, with good grade mica being mined.

A sketch of the prior workings is attached as Exhibit B.

3. (a) The attached sketch discloses that prior workings consisted of driving a drift approximately 100 feet at an angle of approximately 17° into the side of t he mountain where there was an outcropping of the pegmatites. Since the time of abandonment of these prior workings, the hanging wall has falled, filling the drift with overburden material.

It is proposed to locate a point at a higher level above the abandoned entrance which will be over the pegmatite and there sink a timbered shaft which will contact the pegmatite beyond the fallen material. Or, expressed another way, it is proposed to sink a 5x7 timbered shaft in firm ground that will contact the dike at a point further in the mountain so as to be beyond the fallen hanging wall.

At this point of contact of the new 5x7 shaft with the pegmatites, it is proposed to determine the mineralization of the dike, and then to drive a drift of approximately 75 feet further into the mountain following the richest concentration of mica-bearing ore.

MF103 Defense Minerals Exploration Administration

S. W. Fresnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

COST OF PROJECT

	1 week	12 weeks
LABOR		
2 Muckers at $60 ea.	120	1440
1 hoist operator	75	900
1 timber man & blacksmith	75	900
		3240
SUPERVISION		
1 Supervisor	75	900
EQUIPMENT		
Rental		
1 105 c.u. ft. air compressor at 200 per mo.		600
1 double drum gas hoist at 200 per mo.		600
1 jackhamer at 50 per mo.		150
1 7½ h.p. gas water pump at 75 per mo.		225
1 pickup truck or station wagon at 100 per mo.		300
		1875
Purchase		
150' 2" block pipe at 60 ¢ per ft.		90
150' 1" block pipe at 40 ¢ per ft.		60
50 ft. water hose		55
50 ft. air hose		45
Misc. hand tools		75
		325
SUPPLIES		
Dynamite & caps		300
Gasoline & oil	30	360
Timber 4M at 80 per M		320
Safety boots and helmets		75
Carbide and lamps		60
		1115
BUILDING		
Tool shed		400
		7855

MF103 Defense Minerals Exploration Administration

S. W. Pressnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Expected progress -- Shaft 2½ ft. per day
Drift 4 ft. per day

Shaft 2.5/100.0 ft. = 40.0 days

Drift 4/75 = 18 days

5 working days per week

5/40 = 8 weeks for shaft

5/18 = 4 weeks for drift

Cost of timbered shaft -- 2/3 of project

3/7855 = 2618
6
18
18
05
2
25
24
1

$ 2618
2
$ 5236

100/5236 = $ 52.36 per ft.

Cost of drift = 1/3 of project

75/2618 = 34.92 per ft.
225
368
300
680
675
150

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

4. Sketch of proposed work is attached as Exhibit C.

5. There are no existing buildings or facilities.

6. One tool shed cost, $400.

7. (a) Equipment purchased:

150' 2" block pipe	90
150' 1" block pipe	60
50 ft. water hose	35
50 ft. air hose	45
Misc. hand tools	75
	305

(b) Equipment rented:

1 cu. ft. air compressor	600
1 double drum hoist	600
1 jackhammer	150
1 7½ h.p. gas water pump	225
1 pickup truck or station wagon	300
	$1875

8. See 3 above.

9. See 3 above.

10. (a) ten (10%) percent of the total cost.

(b) yes.

11. The three persons comprising this partnership, B. G. Thomas, Mark Hall, and Charlie Hall, are well known for their past mining ability and business acumen.

<u>Mines operated by each person</u>

B. G. THOMAS -- Sinkhole, 1938-40; Barger, 1940-44; George Howell, 1943-44; Zeph, 1942-43; Tom Woody, 1943-44; Wild Cat, 1942-44.

MARK HALL -- Barger, 1941-43; Little Zeph, 1940-42.

CHARLIE HALL -- Employed by Carolina Mica Co. 1936-40; Miner, Zeph Mine, 1940-42; Presently employed by Southern Mica Company.

The S. W. Presnell is located within a few hundred feet of the Balsam and the Wray, all of which have been producers of good color strategic sheet mica. The area of the location of these mines is well known for its rich concentration of mica-bearing pegmatites.

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

THIS AMENDMENT OF LEASE made this the 6th day of May, 1952, by Alice S. Byrd, Mrs. Pansy Ray, J. Frank Ray and wife, Ruby Ray, Mrs. J. A. Higgins and Nu-Wray, Inc., parties of the first part, to B. G. Thomas, Mark Hall and Charlie Hall, of the County of Yancey and State of North Carolina, hereinafter called parties of the second part:

W I T N E S S E T H:

FOR THAT WHEREAS on June 29th, 1951, a Lease was executed by the parties of the first part to the parties of the second part herein and in describing the property certain distances were given and it being the purpose of this instrument to amend said Lease by making the changes hereinafter noted as to description, as to road and time for beginning operations:

NOW, THEREFORE, in consideration of the sum of $1.00 in hand paid to the parties of the first part by the parties of the second part, receipt of which is hereby acknowledged, and in consideration of the agreements and covenants set forth in the original Lease, it is agreed that the description of the property Lease shall be as follows:

> The S. W. Presnell Mine and extending a distance of 200 feet in all directions from the center of said mine. That is to say, 200 feet in all directions from the center of the opening of said mine.

It is understood that any roads constructed shall be enjoyed equally by the parties to this instrument, that is to say that the use of the same shall be mutual.

It is agreed that the time for beginning operations under said Lease shall be extended to July 5th, 1952.

IN TESTIMONY WHEREOF, the parties to this instrument have hereunto set their hands and seals in triplicate and the Corporation executing this instrument has caused its Corporate name to be signed by its President and attested by its Secretary all by order of its Board of Directors duly given, as of the day and year first above written.

Witness: Philip Ray
Gastan Angel

/s/ Mrs. J. A. Higgins her x mark (SEAL)
/s/ Mrs. Pansy Ray (SEAL)
/s/ J. Frank Ray (SEAL)
/s/ Ruby Ray (SEAL)

ATTEST:

/s/ Rush T. Wray
Secretary

NU-WRAY, INC.

By /s/ Mrs. Julia Wray
President

/s/ Alice S. Byrd (SEAL)
/s/ B. G. Thomas (SEAL)
/s/ W. M. Hall (SEAL)
/s/ Charlie Hall (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

THIS AMENDMENT OF LEASE made this the 6th day of May, 1952, by Alice S. Byrd, Mrs. Pansy Ray, J. Frank Ray and wife, Ruby Ray, Mrs. J. A. Higgins and Nu-Wray, Inc., parties of the first part, to B. G. Thomas, Mark Hall and Charlie Hall, of the County of Yancey and State of North Carolina, hereinafter called parties of the second part:

W I T N E S S E T H:

FOR THAT WHEREAS on June 29th, 1951, a Lease was executed by the parties of the first part to the parties of the second part herein and in describing the property certain distances were given and it being the purpose of this instrument to amend said Lease by making the changes hereinafter noted as to description, as to road and time for beginning operations:

NOW, THEREFORE, in consideration of the sum of $1.00 in hand paid to the parties of the first part by the parties of the second part, receipt of which is hereby acknowledged, and in consideration of the agreements and covenants set forth in the original Lease, it is agreed that the description of the property Lease shall be as follows:

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It is understood that any roads constructed shall be enjoyed equally by the parties to this instrument, that is to say that the use of the same shall be mutual.

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Witness: Philip Ray
Gastan Angel

/s/ Mrs. J. A. Higgins her x mark (SEAL)
/s/ Mrs. Pansy Ray (SEAL)
/s/ J. Frank Ray (SEAL)
/s/ Ruby Ray (SEAL)

ATTEST:

/s/ Rush T. Wray
Secretary

NU-WRAY, INC.

By /s/ Mrs. Julia Wray
President

/s/ Alice S. Byrd (SEAL)
/s/ B. G. Thomas (SEAL)
/s/ W. M. Hall (SEAL)
/s/ Charlie Hall (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

THIS LEASE made this the 29th day of June, 1951 by Alice S. Byrd, Mrs. Pansy Ray, J. Frank Ray and wife, Ruby Ray, Mrs. J. A. Higgins and Nu-Wray, Inc., parties of the first part, to B. G. Thomas, Mark Hall and Charlie Hall, of the County of Yancey and State of North Carolina, hereinafter called parties of the second part:

W I T N E S S E T H:

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

> The S. W. Presnell Mine and extending to within 100 feet of the Silvers Mine and extending 300 feet in each and every other direction except in such places as the same may overlap with the mines of the Leases heretofore made on the Balsam Mine, Silvers Mine and any other mines leased.

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

It is understood and agreed that the life of this lease shall be for a period of five years from date, with the privilege of renewing the same for an additional five years if agreed upon by the parties to this instrument in writing.

In granting rights of way over said property it is understood that the rights herein granted are not exclusive and that such roads as may be upon said property, or hereafter constructed, may be used in carrying on operations on other parts of said property but the use of the same is not to

interfere with the rights of the parties to this instrument.

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

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

It is understood and agreed that the Lessees, their successors or assigns, shall have ninety (90) days from the time of the delivery of this Lease within which to start operations.

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

/s/ Mrsx. Pansy Ray (SEAL)
/s/ Mrs. J. A. Higgins (x) (SEAL)
/s/ Alice S. Byrd (SEAL)
/s/ J. Frank Ray (SEAL)
/s/ Ruby Ray (SEAL)

ATTEST:

/s/ Rush T. Wray
Secretary

NU-WRAY, INC.

/s/By Mrs. Julia Wray
President

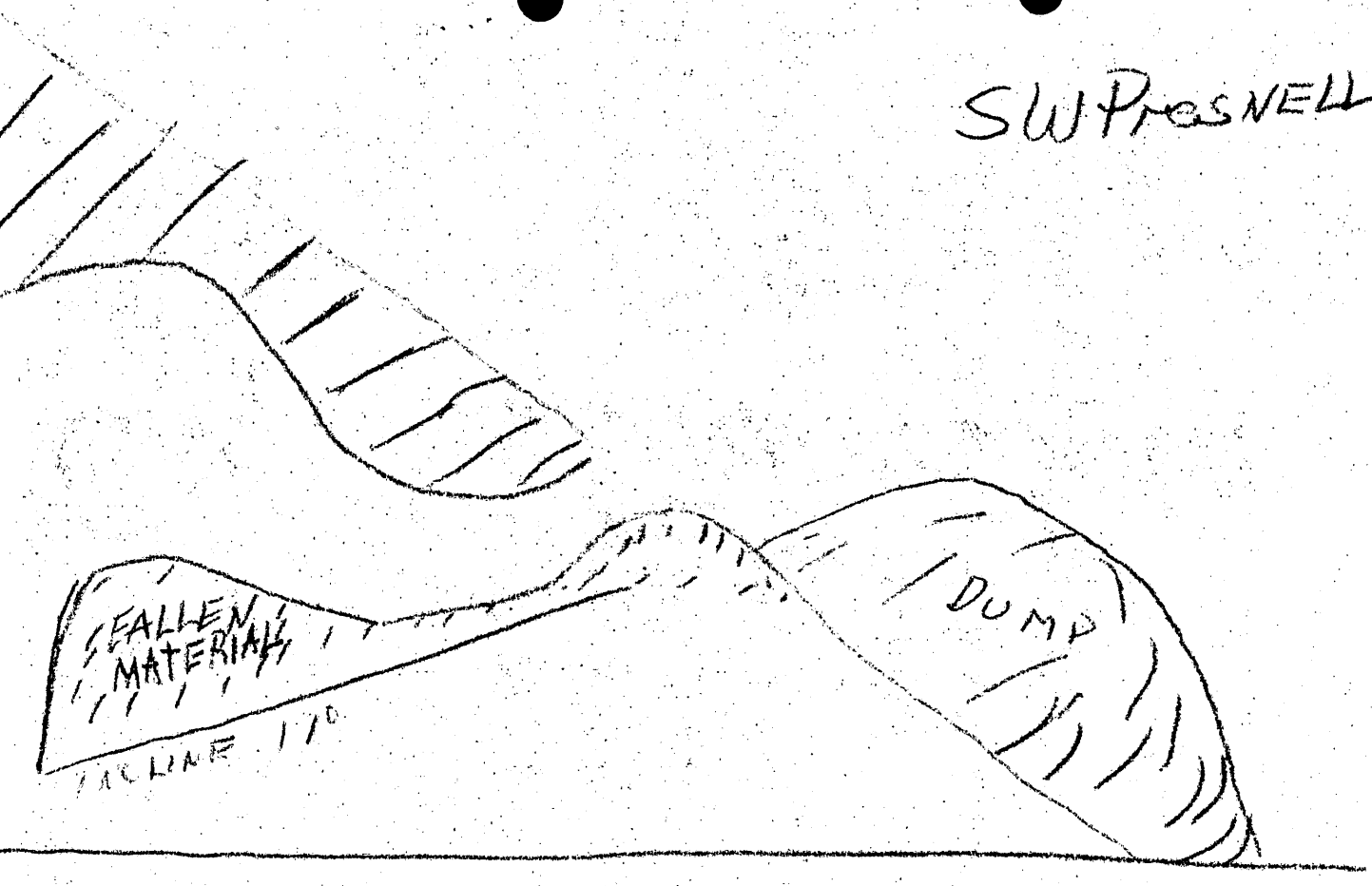
/s/ B. G. Thomas (SEAL)

/s/ Mark Hall (SEAL)

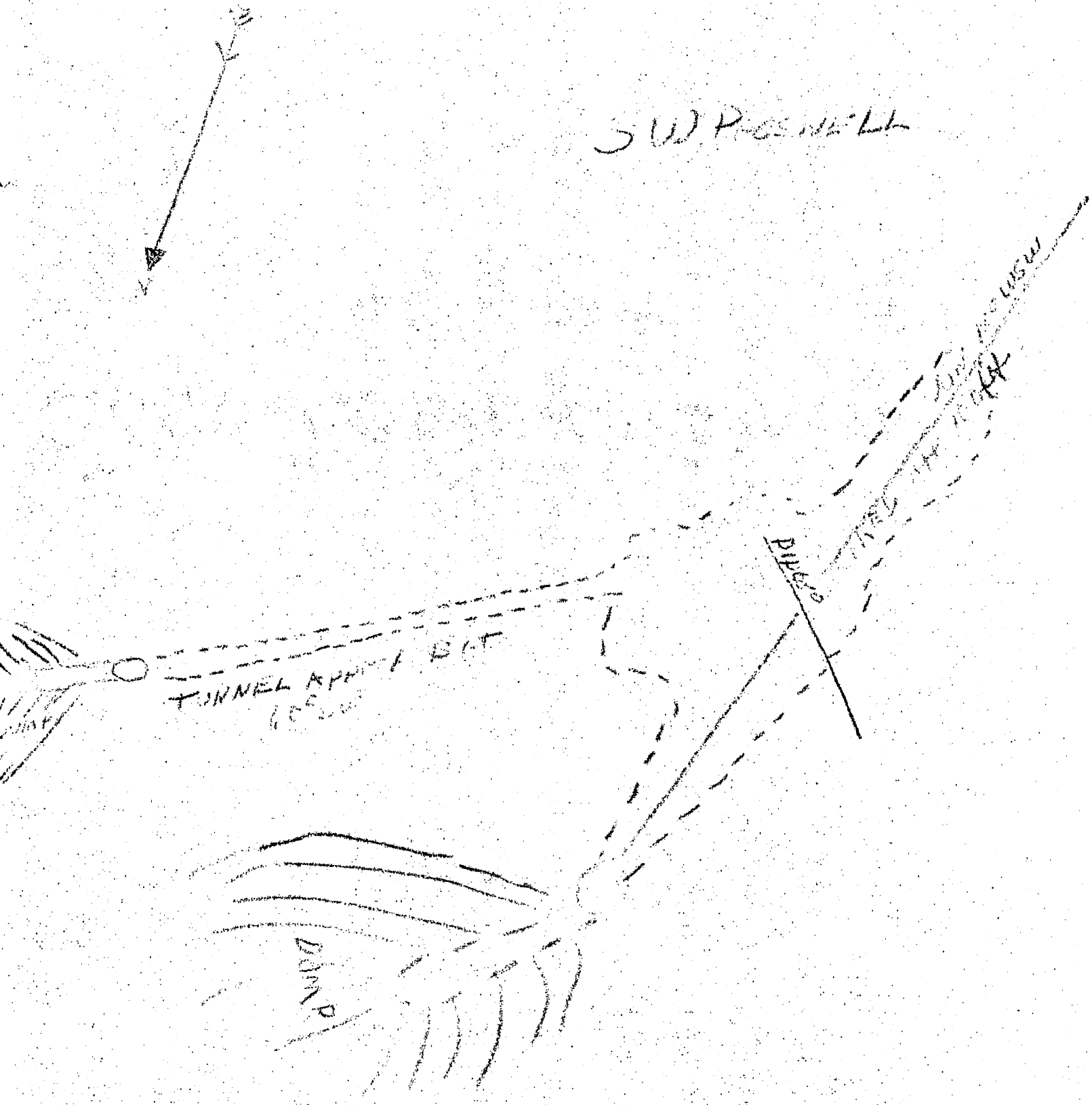
/s/ Charlie Hall (SEAL)

dmea 2790

SW Prosnell



DMEA-2790



FILE COPY
SURNAME:

Hearne
Hull
Kindel
Hedges
R. E. Johnson

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

DEC 1 6 1952

Mr. S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mine
Yancey County, North Carolina

Dear Mr. Thomas:

Your application for exploration assistance at the S. W. Presnell Mine as captioned above has been referred to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee for field investigation and report.

Will you please advise this office the book number and page on which the deed to the property covered by the lease is recorded in the Register of Deeds of Yancey County?

Your interest in exploration for strategic mica is appreciated.

Sincerely yours,

C. O. Mittendorf (for) J.H. 12-16-52

Administrator

LFHearne:fls 12/12/52

Copy to: Adm. R. File
Docket File
Operating Committee (2)
Field Team, Region VII (2)
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

DEC 16 1952

Hearne
Smith

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

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County,
North Carolina

Dear Mr. Laurence:

Reference is made to the application for exploration assistance for strategic mica at the S. W. Presnell Mine in Yancey County, North Carolina.

A field examination is needed to determine whether the property has sufficient merit to warrant assistance by this agency. If favorable, the report should include a definite program with cost estimates.

The application states that the leased property is located within a few hundred feet of the Balsam Mine and the Wray Mine. A determination should be made of the location of the Presnell boundaries with respect to those of the Balsam and the Wray in order to make sure that the boundaries of these properties do not overlap. Please locate the "center of the opening of said mine" mentioned in the amended lease, with respect to the boundaries of the Ray estate. The book and page number of the recording of the deed to the Ray estate should also be reported.

Since Owner's Consent to Lien is not obtainable, please comment on the local credit reputations of the three partners, B. G. Thomas, Mark Hall and Charlie Hall.

The Spruce Pine Mica Depot has reported that a sample of mica submitted by Mr. Thomas as coming from the Presnell Mine is acceptable for purchase.

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

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)

Member, Geological Survey

12-16-52

Enclosures (2)

LFHearne:fls 12/12/52

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1952

December 10, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2790, Mica, S. W. Presnell Mine,
Yancey County, North Carolina

No data are available in this office on subject property. It is located in a general area in which ruby mica is known to be the characteristic variety. On the basis of the applicant's description of present exposures, a field team investigation is recommended.

Brooke L. Gunsallus

Brooke L. Gunsallus

GENERAL SERVICES ADMINISTRATION

Spruce Pine Mica Depot
December 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1952
Mr. Hearne

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina

Dear Mr. Houk:

Mr. B. G. Thomas, Manager of the S. W. Presnell Mica Miners, has submitted sample of mica for evaluation from the S. W. Presnell Mine.

I am pleased to advise that this mica, with proper preparation, will be acceptable for purchase at this depot.

Yours very truly,

W. S. Flynt
Superintendent

FILE COPY
SURNAME:

Hearne

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

Ans

DEC 3 1952

S. W. Presnell Mica Miners
C/o Mr. B. G. Thomas, Manager
Spruce Pine, North Carolina

Subject: Docket No. DMEA-2790 - Mica
S. W. Presnell Mica Miners
S. W. Presnell Mine
Yancey County, North Carolina

Dear Mr. Thomas:

Reference is made to your application for exploration assistance at the S. W. Presnell Mine, Yancey County, North Carolina, Docket No. DMEA-2790.

Will you please submit a sample of your mica, preferably at least two inches square and 1/16 inch to 1/8 inch in thickness to the Spruce Pine Purchase Depot for evaluation as to strategic quality and request that the Depot report the results to this office?

Sincerely yours,

SIGNED

12-3-52

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LFHearne:gad 12/2/52

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

IN REPLY REFER TO:
G-MD-CNM

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

Mr. Houk

December 1, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1952

Memorandum

REVIEW OF APPLICATION DMEA-2790 (mica).

To: L. W. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: S. W. Presnell Mica Miners
Name of property: S. W. Presnell Mine
Location of property: Yancey County, North Carolina
Estimated cost of project: $7,855.
Summary of applicant's proposal: 1) Sink a shaft 5 x 7 feet to the depth necessary to intersect the pegmatite. (Estimated depth 100 feet.) 2) Drift 75 feet along the pegmatite from the bottom of the shaft.

Sources of information on applicant's property: Colonial Mica Corp. purchase records.

Comments: Colonial Mica Corp. records show 76 lbs. of small ruby mica produced from this mine.

RECOMMENDATION: Examination by the field team.

JJ Norton for
Paul L. Weis

November 26, 1952

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Subject: DMEA-2790
Re: Exploration Assistance
S. W. Presnell Mine

My dear Mr. Thomas:

The receipt of your application dated October 31, 1952 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2790 and referred to the Non Metallics Minerals Division.

Kindly refer to DMEA-2790 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams, Chief
Operation's Control and
Statistics Division

25451

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

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

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

Not To Be Filled in by Applicant

Docket No. DMEA 2790
Metal or Mineral
Date Received 11/26/52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

Name and address of applicant

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Date October 31, 1952

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

DMA Docket Number (if available)

INSTRUCTIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

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

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

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

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

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

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

CERTIFICATION

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

S. W. Presnell Mica Miners
(Name of company)

By C B Collins
(Signature of authorized official)

October 31, 1952
(Date)

Washington Representative
(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

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

1. (a) The property involved is located on the estate of the Ray heirs, and lies on Bowlands Creek, 6½ miles, approximately 2 miles Northeast of Micaville and 1 mile South of Kona, Yancey County, North Carolina. A legal description of the property on which the S. W. Presnell Mine is located is attached as Exhibit A.

   (b) This property is covered by a 5 year lease held by the three partners and runs for a period of five years with the option to renew for 5 additional years. A copy of the lease granting the partners the right to mine is attached as Exhibit A.

   (c) (1) The area to be explored, and the area leased, are identical.
   (2) The landlords, the Ray heirs, will not subject this area to a subordination agreement, nor will they grant an Owner's Consent to Lien to the U. S. Government. However, the land is held by a 5 year lease with the option to renew for 5 years, or a total of ten years. Since an Owner's Consent to Lien would run for no longer period of time, the position of the partners and the Government stands as good, if not better, than if an Owner's Consent to Lien were obtainable.

2. (a) Strategic grade sheet mica.

   (b) The applicant has not been able to find a geological or engineering report covering this mine. However, the mine has been previously worked, with good grade mica being mined.

   A sketch of the prior workings is attached as Exhibit B.

3. (a) The attached sketch discloses that prior workings consisted of driving a drift approximately 100 feet at an angle of approximately 17° into the side of t he mountain where there was an outcropping of the pegmatites. Since the time of abandonment of these prior workings, the hanging wall has falled, filling the drift with overburden material.

   It is proposed to locate a point at a higher level above the abandoned entrance which will be over the pegmatite and there sink a timbered shaft which will contact the pegmatite beyond the fallen material. Or, expressed another way, it is proposed to sink a 5x7 timbered shaft in firm ground that will contact the dike at a point further in the mountain so as to be beyond the fallen hanging wall.

   At this point of contact of the new 5x7 shaft with the pegmatites, it is proposed to determine the mineralization of the dike, and then to drive a drift of approximately 75 feet further into the mountain following the richest concentration of mica-bearing ore.

MF103 Defense Minerals Exploration Administration

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

COST OF PROJECT

	1 week	12 weeks
LABOR		
2 Muckers at $60 ea.	120	1440
1 hoist operator	75	900
1 timber man & blacksmith	75	900
		3240
SUPERVISION		
1 Supervisor	75	900
EQUIPMENT		
Rental		
1 105 cu ft air compressor at 200 per mo.		600
1 double drum gas hoist at 200 per mo.		600
1 jackhamer at 50 per mo.		150
1 $7\frac{1}{2}$ h.p. gas water pump at 75 per mo.		225
1 pickup truck or station wagon at 100 per mo.		300
		1875
Purchase		
150' 2" block pipe at 60 ¢ per ft.		90
150' 1" block pipe at 40 ¢ per ft.		60
50 ft. water hose		55
50 ft. air hose		45
Misc. hand tools		75
		325
SUPPLIES		
Dynamite & caps		300
Gasoline & oil	30	360
Timber 4M at 80 per M		320
Safety boots and helmets		75
Carbide and lamps		60
		1115
BUILDING		
Tool shed		400
		7855

MF103

Defense Minerals Exploration Administration

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

Expected progress -- Shaft $2\frac{1}{2}$ ft. per day
Drift 4 ft. per day

Shaft $2.5\overline{)100.0 \text{ ft.}}$ = 40.0 days

Drift $4\overline{)75}$ = 18 days

5 working days per week

$5\overline{)40}$ = 8 weeks for shaft

$5\overline{)18}$ = 4 weeks for drift

Cost of timbered shaft == 2/3 of project

$3\overline{)7855}$ = 2618

6
18
18
05
3
25
24
1

$ 2618
2
$ 5236

$100\overline{)5236}$ = $ 52.36 per ft.

Cost of drift = 1/3 of project

$75\overline{)2618}$ = 34.92 per ft.

225
368
300
680
675
150

S. W. Presnell Mica Miners
c/o B. G. Thomas, Manager
Spruce Pine, North Carolina

4. Sketch of proposed work is attached as Exhibit C.

5. There are no existing buildings or facilities.

6. One tool shed cost, $400.

7. (a) Equipment purchased:

150' 2" block pipe	90
150' 1" block pipe	60
50 ft. water hose	55
50 ft. air hose	45
Misc. hand tools	75
	325

(b) Equipment rented:

1 cu. ft. air compressor	600
1 double drum hoist	600
1 jackhamer	150
1 7½ h.p. gas water pump	225
1 pickup truck or station wagon	300
	$1875

8. See 3 above.

9. See 3 above.

10. (a) ten (10%) percent of the total cost.

(b) yes.

11. The three persons comprising this partnership, B. G. Thomas, Mark Hall, and Charlie Hall, are well known for their past mining ability and business acumen.

Mines operated by each person

B. G. THOMAS -- Sinkhole, 1938-40; Barger, 1940-44; George Howell, 1943-44; Zeph, 1942-43; Tom Woody, 1943-44; Wild Cat, 1942-44.

MARK HALL -- Barger, 1941-43; Little Zeph, 1940-42.

CHARLIE HALL -- Employed by Carolina Mica Co. 1936-40; Miner, Zeph Mine, 1940-42; Presently employed by Southern Mica Company.

The S. W. Presnell is located within a few hundred feet of the Balsam and the Wray, all of which have been producers of good color strategic sheet mica. The area of the location of these mines is well known for its rich concentration of mica-bearing pegmatites.

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

THIS AMENDMENT OF LEASE made this the 6th day of May, 1952, by Alice S. Byrd, Mrs. Pansy Ray, J. Frank Ray and wife, Ruby Ray, Mrs. J. A. Higgins and Nu-Wray, Inc., parties of the first part, to B. G. Thomas, Mark Hall and Charlie Hall, of the County of Yancey and State of North Carolina, hereinafter called parties of the second part:

W I T N E S S E T H:

FOR THAT WHEREAS on June 29th, 1951, a Lease was executed by the parties of the first part to the parties of the second part herein and in describing the property certain distances were given and it being the purpose of this instrument to amend said Lease by making the changes hereinafter noted as to description, as to road and time for beginning operations:

NOW, THEREFORE, in consideration of the sum of $1.00 in hand paid to the parties of the first part by the parties of the second part, receipt of which is hereby acknowledged, and in consideration of the agreements and covenants set forth in the original Lease, it is agreed that the description of the property Lease shall be as follows:

> The S. W. Presnell Mine and extending a distance of 200 feet in all directions from the center of said mine. That is to say, 200 feet in all directions from the center of the opening of said mine.

It is understood that any roads constructed shall be enjoyed equally by the parties to this instrument, that is to say that the use of the same shall be mutual.

It is agreed that the time for beginning operations under said Lease shall be extended to July 5th, 1952.

IN TESTIMONY WHEREOF, the parties to this instrument have hereunto set their hands and seals in triplicate and the Corporation executing this instrument has caused its Corporate name to be signed by its President and attested by its Secretary all by order of its Board of Directors duly given, as of the day and year first above written.

Witness: Philip Ray
Gaston Angel

/s/ Mrs. J. A. Higgins her x mark (SEAL)
/s/ Mrs. Pansy Ray (SEAL)
/s/ J. Frank Ray (SEAL)
/s/ Ruby Ray (SEAL)

ATTEST:

/s/ Rush T. Wray
Secretary

MU-WRAY, INC.

By /s/ Mrs. Julia Wray
President

/s/ Alice S. Byrd (SEAL)
/s/ B. G. Thomas (SEAL)
/s/ W. M. Hall (SEAL)
/s/ Charlie Hall (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

THIS LEASE made this the 29th day of June, 1951 by Alice S. Byrd, Mrs. Pansy Ray, J. Frank Ray and wife, Ruby Ray, Mrs. J. A. Higgins and Nu-Wray, Inc., parties of the first part, to B. G. Thomas, Mark Hall and Charlie Hall, of the County of Yancey and State of North Carolina, hereinafter called parties of the second part:

W I T N E S S E T H:

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

> The S. W. Presnell Mine and extending to within 100 feet of the Silvers Mine and extending 300 feet in each and every other direction except in such places as the same may overlap with the mines of the Leases heretofore made on the Balsam Mine, Silvers Mine and any other mines leased.

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

It is understood and agreed that the life of this lease shall be for a period of five years from date, with the privilege of renewing the same for an additional five years if agreed upon by the parties to this instrument in writing.

In granting rights of way over said property it is understood that the rights herein granted are not exclusive and that such roads as may be upon said property, or hereafter constructed, may be used in carrying on operations on other parts of said property but the use of the same is not to

interfere with the rights of the parties to this instrument.

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

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

It is understood and agreed that the Lessees, their successors or assigns, shall have ninety (90) days from the time of the delivery of this Lease within which to start operations.

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

/s/ Mrsx. Pansy Ray (SEAL)
/s/ Mrs. J. A. Higgins (x) (SEAL)
/s/ Alice S. Byrd (SEAL)
/s/ J. Frank Ray (SEAL)
/s/ Ruby Ray (SEAL)

ATTEST:

/s/ Rush T. Wray
Secretary

NU-WRAY, INC.

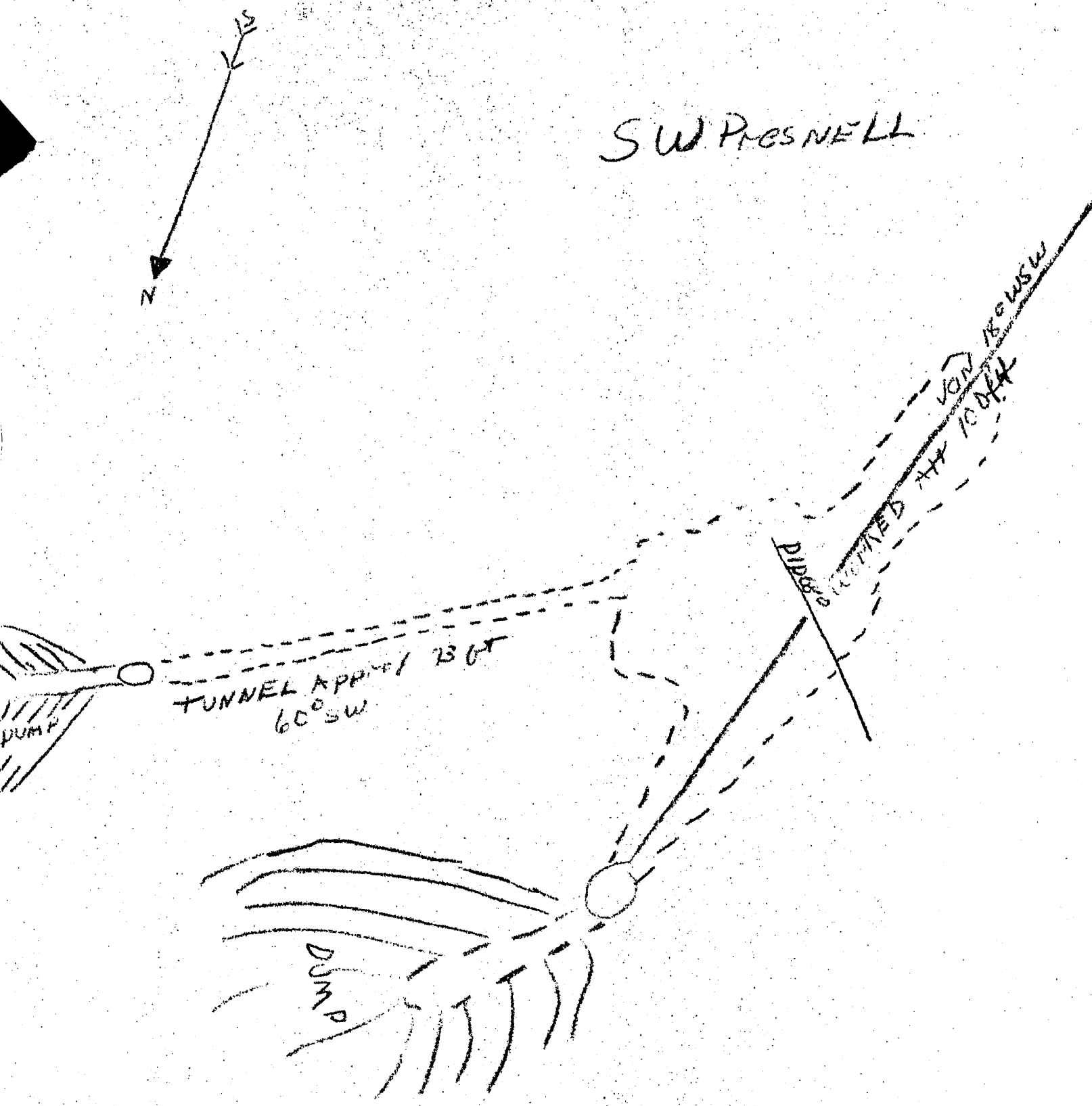
/s/By Mrs. Julia Wray
President

/s/ B. G. Thomas (SEAL)

/s/ Mark Hall (SEAL)

/s/ Charlie Hall (SEAL)

RNEE-2790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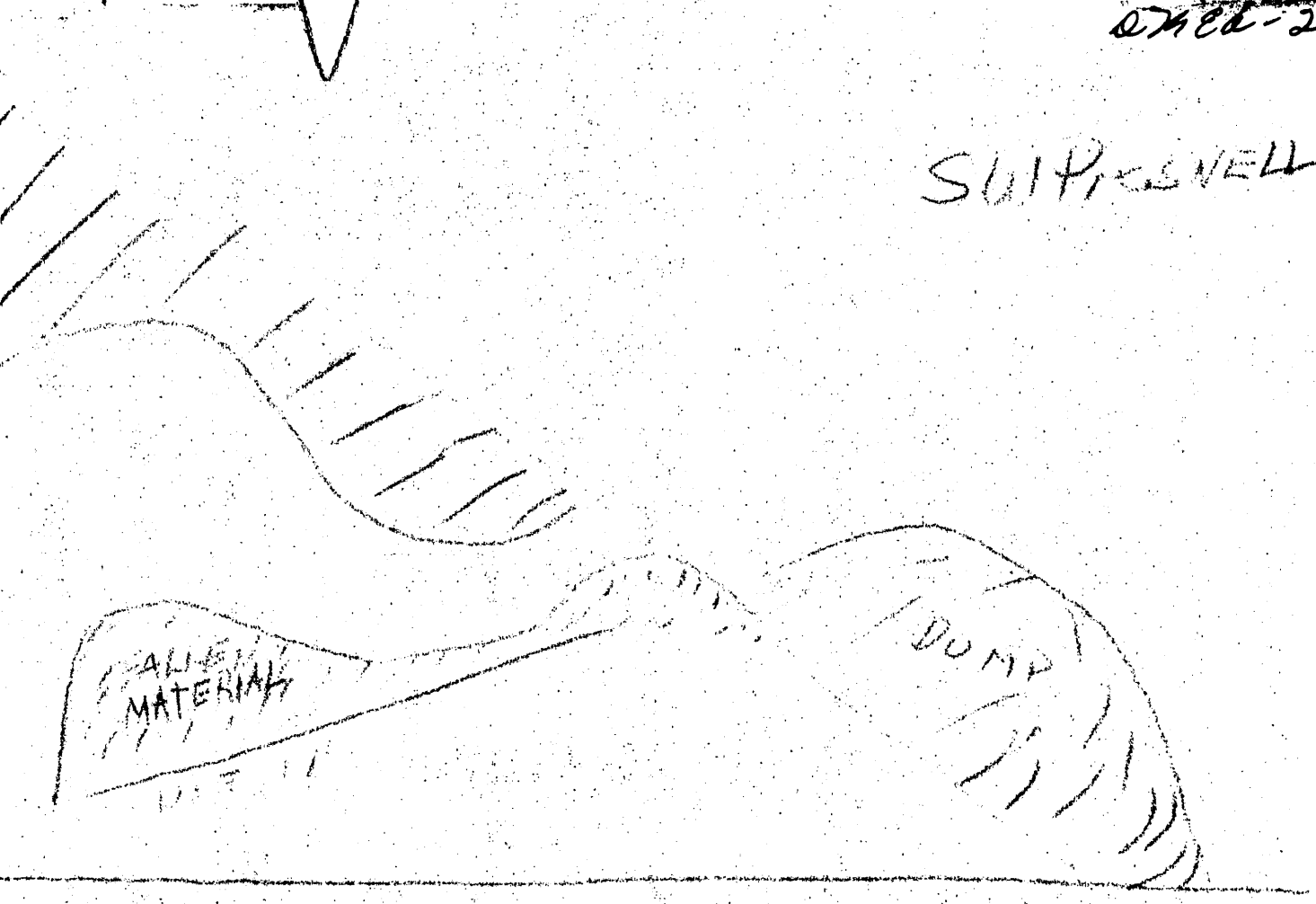

~~Suite 714 - 715~~
~~1025 Vermont Avenue~~, N. W.
~~Washington 5, D. C.~~

Mr. Stanley A. Fletcher
Non-Metallic Minerals Division
Department of the Interior
Room 4635
Washington 25, D. C.

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THE UNITED STATES ENVELOPE CO. SPRINGFIELD, MASS.

MF-200 (A)
(February 1952)

First draft

Pls. use Long Form 84.

DOCKET NO. DMEA 2790

COMMODITY Mica

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION 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] B.G. Thomas, Mark Hall, and Charlie Hall, a partnership d/b/a S.W. Presnell Mica Miners c/o B.G. Thomas, Manager, Spruce Pine, North Carolina.

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Yancey, described as follows:[3]

See Attached

the Operator represents and undertakes:[4]

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

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

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

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

in or upon the described land; and shall bring the project to completion within a period of _____ 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 $10,080.00, which is 90 percent of $11,200.00, 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 2790-mica

Description of the Work

Exploration at the S. W. Presnell Mine is intended to find new mica shoots in the pegmatite dike previously mined and adjacent pegmatites in the hangingwall and foot wall.

Construct approximately 2500 feet of access road from the Balsam Mine to the site of the proposed shaft at the S. W. Presnell Mine as indicated on the attached map,

Prepare the site for the proposed shaft.*

* At this site, sink a 70 foot shaft 5 by 7 feet in cross section in the pegmatite.

From the 70 foot level in the shaft, drift 80 feet 5 x 7 feet in cross section along the pegmatite.

Drill not more than 300 feet of long jackhammer holes into the footwall and hanging wall from the shaft and the drift

and separate ditches necessary to divert surface water.

at points selected by the Government to explore for parallel pegmatites.

If pegmatite is cut by the long holes crosscut and drift (not more than 50 feet 5 by 7 feet in cross section) as directed by the Government to explore such pegmatite.

The location, direction, and extent of all work shall be specified by the Govt.

Estimated Costs and Agreed Unit Costs of the Project

Construct 2500 feet of access road at $0.60 per linear foot $1500.00

Prepare site for shaft

1. Independent contract

Bulldozer including operator, transportation to and from site, repairs, and all operating expenses complete.
50 hrs. at 12.00/hr 600.00

2. Labor, supervision, consultants
Supervisor 50 hrs. at 1.50/hr 75.00

3, 4, 5, 6, - None

7 and 8 Miscellaneous and contingencies 50.00

2275.00

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2790

Ex. A.

Fwd	$22250.00
Shaft - 75 feet at $55.00/ft	4125.00
Drift and crosscut 130 feet at $35.00/ft	4550.00
Long jackhammer holes 300 feet at $1.00/ft	300.00
	$11,200.00
	1120
	10080