DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2995

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
CYS TO USBM, USGS, REGION VII

To:	Code 600	Date	4/23/53
To:	Robertson	Date	4/24/53
To:	Open Cons	Date	7-24-53
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DO NOT DETACH

CONTROLLED DOCUMENT

600

JUL 2 7 1953

Mr. M. S. Zigler

Gay, North Carolina

Re: Docket No. DMEA-2995 - Mica
Elsie Buchanan Mine
Jackson County, North Carolina

Dear Mr. Zigler:

Your application for aid for an exploration project and other data available to us in Washington concerning your mine have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of mica on your property, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

JTRobertson:gad 7/23/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

MSHA 2995(2212)	M. S. MEHR, CHI, NORTH CAROLINA.	Mode Buchanan Mine (V.O.
~~Mon~~	Buchanan Prospect), Jackson County, North Carolina.	
Region VIII	Letter to the Applicant denying the application.	

July 22, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2995 - Mica
Property: Elcie Buchanan Mine
Jackson County, North Carolina
Being land deeded from
V. O. Buchanan, et al., to
Elcie Buchanan, as recorded
in county records Bk 152, Pg 525
Located about 5 miles west of
Dillsboro, North Carolina
Applicant: M. S. Ziglar (A lessee)
Gay, North Carolina
Amount requested: $4,242
No contract: Application denied

Docket Summary

4/22/53 Received application, MF-103
4/23/53 Acknowledged receipt of application
4/27/53 Memo received from Basil G. Dean, U. S. G. S. suggesting field referral.
4/30/53 Memo received from W. F. Dietrich, U. S. B. M. suggesting field referral.
5/6/53 Received memorandum from Regional Office, Region VII, by Lawrence and Beck. They suggest a denial of application based on previous examination and denial of same mine DMA-2212. No new data is submitted by present application.

Comments:

This is the same property previously denied under former docket No. DMA-2212, V. O. Buchanan, applicant (Elcie Buchanan Mine). The former application was denied by letter from the Acting Administrator on September 26, 1952 following the recommendation made by Field Team in their report of September 16, 1952.

The new application DMEA-2995 presents no additional data to cause the field team to change their decision. They suggest a denial of exploration assistance. This is another Dexter Hall lease and should be denied exploration assistance.

The Nonmetallic Minerals Division concurs in a denial. A letter of denial is submitted herewith for approval.

SIGNED

Jasper T. Robertson
Nonmetallic Minerals Division

JTRobertson:dec 7/22/53
Copy to: Admr. R. File
Docket File
Mr. Houk

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

GEOLOGICAL SURVEY

COPY

May 19, 1953

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: D. M. Larrabee, U. S. Geological Survey

Subject: DMEA dockets 2993, 2994, 2995, 2996, and 3031

Recent information from the Field Team Executive Officer, Region 7, makes it advisable to amend our earlier memoranda on the above dockets. The amendments follow:

2993 be submitted to field team for their review. It may be unnecessary to make a field examination.

2994 denial - previously denied under docket 2224, and no new information.

2995 denial - previously denied under docket 2212, and no new information.

2996 same action as 2993.

3031 denial - previously denied under docket 2527, and no new information.

D. M. Larrabee

Larrabee:jeh
5/19/53
cc. Director's reading 4212
Branch 4211
Branch reading 4212
DMEA (3)
Larrabee G-230

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

April 30, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2995, Elsie Buchanan Mine
Jackson County, Gay, North Carolina

No data are available in this office on subject property. It is located in a general area in which strategic mica is known to be the characteristic variety. It is suggested that the field team visit this property when a member of the field team is in that vicinity to ascertain if an exploration program is justified.

Signed

W. F. Dietrich

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

April 30, 1953

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W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

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

April 27, 1953

Memorandum

REVIEW OF APPLICATION DMEA-2995 (mica).

To: L. G. Houk, Defense Minerals Exploration Administration.
From: Basil G. Dean, U.S. Geological Survey.
Applicant's name and address: M. S. Zigler, Gay, North Carolina.
Name of property: Elcie Buchanan mine.
Location of property: About 5 miles west of Dillsboro, Jackson County, North Carolina, on a county road 2 miles north of State Highway 23.
Summary of applicant's proposal:
75 foot adit.

Sources of information on applicant's property:
None.

Comments:

(1) According to the applicant a recent 15 foot shaft on this property exposed blocks of mica with sheets up to 2" x 2".

(2) As there is no information on this property other than that submitted by the applicant, a field team examination is necessary.

(3) The lease on this property was transferred to the applicant by Frank Siersma on January 7, 1953.

RECOMMENDATION:
Field team examination.

Basil G. Dean

Copy to DMEA (3)

IN REPLY REFER TO:
G-MD-CMM

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

April 27, 1953

Memorandum

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Basil G. Dean

Copy to DMEA (3)

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

April 30, 1953

Memorandum

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Signed

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

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

April 27, 1953

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RECOMMENDATION:
Field team examination.

Basil G. Dean

Copy to DMEA (3)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1953

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

Not to be filled in by applicant

Docket No. DMEA-2995
Metal or Mineral
Date Received 4-22-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

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

H. S. ZIGLER
GAY (JACKSON CO.)
NORTH CAROLINA

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed from V. O. Buchanan, et al, to Elcie Buchanan, dated January 16, 1941, and recorded in the office of the Register of Deeds for Jackson County, N.C., in Book 152, page 525.

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

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

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

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

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

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated APRIL 21st, 1953

M. S. ZIGLER
(Applicant)

By C.D. Zigler
C.D. Zigler, Manager

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 M. S. ZIGLER GAY (JACKSON CO.) N. C. - MICA -

ELCIE BUCHANAN MINE
JACKSON COUNTY

1. Applicant is an Individual. C. D. Zigler is Manager, with full right to sign all instruments.

2. Copy of lease, assignments and Owner's Consent to Lien are attached.

4. This mine has been worked intermittently for many years. It has always produced a high grade of strategic ruby mica. Because past work had been by many shallow pits, with hand tools, partial exploration was done in July, 1952, to determine quality of pegmatite. A shaft was sunk to a depth of 15 feet and even at this depth release blocks sheeting to 2" x2". Vein material consists of feldspar, mica and quartz, assuring the presence of commercial ore bodies with sufficient additional exploration.

All past sales were made to Asheville Mica Company; with no available records. Property lies within the mica belt of the district, has considerable showings of outcroppings and is close to producing mines. These reasons contribute to the fact that suitable exploration will establish the importance of this mine.

The property lies two (2) miles north of State Highway 23, on a county road, and about five (5) miles west of Dillsboro - shipping, supply and residence points.

Sufficient manpower, etc., is available for the project.

5. It is proposed to enter the vein with a tunnel, at a point 200 feet south of the above mentioned shaft, and continue the tunnel for a distance of 75 feet into the pegmatite; as shown on attached sketch.

The work will start upon receipt of contract and completed within fifty (50) working days.

Charles D. Zigler, Applicant's son and manager, has not had a great deal of experience in mica mining. However, his Superintendent is Dexter Hall, a native of the district and fully versed in all phases of mining, processing etc., of mica. He has more than 20 years experience in the pegmatites of the area.

At applicant's own expence, a tunnel is now being constructed in the nearby Painter Knob Mine for a distance of 215' (165' has been completed). Applicant holds leases to several mines in this district which have been examined and tested and proven to contain commercial reserves; therefore desires exploratory aid to place all in operation and reach production, in maximum quantities, as quickly as possible.

- - - -

The work, 75 feet of tunnel will be done within 50 working days (1 shift).

ANSWERS TO QUESTION 6:

(a) Bulldozing to prepare for tunnel entrance, 15 hrs. @ $12.00 per hour, to remove about 450 cu. yds. of overburden (40¢ cu.yd.)	$ 180.00	$ 180.00
(b) 1 Working Foreman, 50 days @ $12.00	600.00	
1 Miner-Driller 50 " @ 10.00	500.00	
2 Muckers 50 " @ 8.00 each	800.00	1,900.00
(c) Hand Tools:- picks, shovels, hammers, wheelbarrow, axes, saws, etc.	60.00	
4 Lamps & Carbide	25.00	
4 Miners' Hard Hats @ $6.25	25.00	
12 pcs. Steel @ $6.00 average	72.00	
300 Timkin Bits @ 42¢	126.00	
15 cases Explosives @ $13.50	202.00	
Exploders	50.00	
Blasting Machine	75.00	
Timber, props, legging, etc.	50.00	685.00
(d) Rental, 105 cfm Air Compressor, 2 months	350.00	
45# Jackhammer 2 "	80.00	
Purchase, 200' track, Tram Car, spikes & cross ties (est.)	200.00	630.00
(e) None.		
(f) Tool & Equipment House, to be erected	200.00	
Explosive storage house " " "	60.00	260.00
(g) Accounting	50.00	
Compensation & Liability Insurance	300.00	
Payroll Taxes	35.00	385.00
(h) Contingencies - 5% of total	202.00	202.00
ESTIMATED COSTS		$ 4,242.00

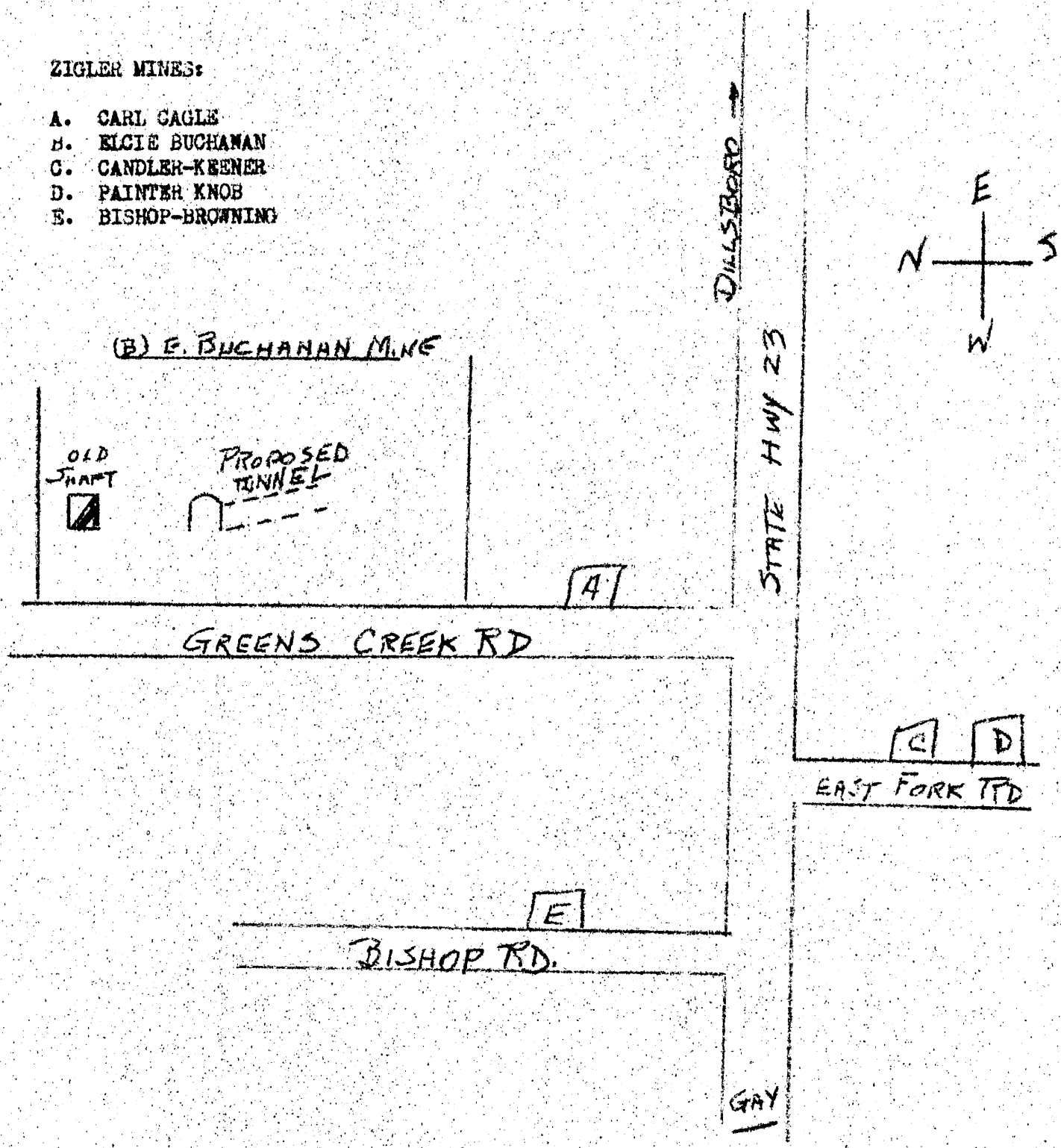
- - - -

MF-103 M. S. ZIGLER SYLVA, N. C.

- MICA -
ELCIE BUCHANAN MINE
JACKSON COUNTY

ZIGLER MINES:

A. CARL CAGLE
B. ELCIE BUCHANAN
C. CANDLER-KEENER
D. PAINTER KNOB
E. BISHOP-BROWNING



Mf-103 M. S. ZIGLER GAY, N. C. COPY- ELCE BUCHANAN LEASE

THIS LEASE AGREEMENT, made and entered into this 30th day of Octoberm 1951, by and between Elcie Buchanan and wife Annie Buchanan, parties of the first part and Dexter Hall and G. L. Green, parties of the second part, all of Jackson County, N. C.

WITNESSETH, That subject to the terms and conditions hereinafter set forth the parties of the first part have let and leased unto the said parties of the second part, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals now in, under and upon a certain tract or parcel of land lying and being in Jackson County, N. C., consisting of nine (9) acres more or less, described as follows, together with any other minerals or lands now owned or which may be acquired by the parties of the first part:

BEING the lands conveyed by deed from V. O. Buchanan, et al, to Elcie Buchanan, dated January 16, 1941 and recorded in the office of the Register of Deeds for Jackson County, N. C., on February 25, 1947, in Book 152 at page 525.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for a term of five (5) years from date hereof; however, it is mutually agreed that, upon compliance with its terms and conditions same shall be automatically extended from year to year thereafter.

2. As rental or royalty, the parties of the second part, their heirs and assigns, shall pay to the partiesof the first part a sum equal to ten percent (10%) of all sheet or block mica, One Dollar ($1.00) per ton for all scrap mica, fifty cents (50¢) per ton for all feldspar and the usual royalties for all other minerals mined and sold from said property.

3. That all royalties shall be paid on the 15th day of each calendar month following the production, sale and receipt of the sale price thereof.

4. Parties of the second part, their heirs and assigns, shall keep and accurate record of all sales of minerals from this property which shall be open to inspecti onby the parties of the first part.

5. The parties of the second part, their heirs or assigns, agree that they will conduct mining operations upon said property for a period of not less than eight months each year this lease remains in force.

6. In the event the parties of the second part should apply for a government loan to explore or operate this property, the parties of the first part hereby authorize Dexter Hall to execute any required government agreements as their Attorney in Fact, for them and in their name.

So long as this lease remains in force the parties of the second part, their heirs and assigns, in connection therewith shall have and enjoy the following rights and privileges:

(a) The right to use the surface of said lands to the full extent that such use is reasonable, convenient and necessary in mining and removing the minerals therefrom and to use any portions of the said surface for the purpose of dumping mine refuse and tailings as may be reasonable necessary or convenient.

(b) The right to construct and place buildings on said lands, and machinery, and to remove same

(c) The right to cut and use upon said lands, for the purposes hereinset out, any standing timber thereon at the time of such use.

(d) The right to use any water upon said property as may be necessary in the course of mining operations.

(e) The right to construct and maintain roads, in such locations as the parties of the second part may deem advisable, and complete right of ingress, egress and regress to and from such portions of said property where mining operations are in progress or to be conducted.

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

Elcie Buchanan
Annie Buchanan
Dexter Hall & GL. Green
By Dexter Hall

THIS LEASE RECORDED IN JACKSON COUNTY, OCTOBER 30, 1951; Book 189, Page 258.

- - - -

ASSIGNMNET - HALL & GREEN TO SIERSMA:

We, Dexter Hall and G. L. Green of Jackson Coutny, North Carolina, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to Frank Siersma all our right, title and interest in and the following lease:

> BEING the lease executed to us on October 30, 1951, by Elcie Buchanan et al, and recorded in the office of the Reg s ter of Deeds for Jackson County, N. C., in Book 189, page 258.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 25th day of November, 1952.

Dexter Hall & G. L. Green
By Dexter Hall
Partner

ASSIGNMENT - SIERSMA TO ZIGLER:

I, Frank, Siersma of Macon County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations do hereby sell, assign and transfer to M. S. Zigler all my right, title and interest in and to the following lease:

> BEING the lease executed October 30, 1951 from Elcie Buchanan et al, to Dexter Hall and G. L. Green, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 258, said lease having been assigned to me by Dexter Hall and G. L. Green on November 25, 1952, which assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 7th day of January, 1953.

Frank Siersma.

BOTH ASSIGNMENTS RECORDED IN JACKSON COUNTY ON MARCH 12, 1953, IN BOOK 198 AT PAGE 89.

- - - - -

FILE COPY
SURNAME:

Robertson
Hoch
Thomson
Hodges
Lafferty
Sylvester
Yeomans

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

600

JUL 27 1953

Mr. M. S. Zigler

Gay, North Carolina

Re: Docket No. DMEA-2995 - Mica
Elsie Buchanan Mine
Jackson County, North Carolina

Dear Mr. Zigler:

Your application for aid for an exploration project and other data available to us in Washington concerning your mine have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of mica on your property, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

MDL
7-28-53

JTRobertson:gad 7/23/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

Denied

July 22, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2995 - Mica
Property: Elcie Buchanan Mine
Jackson County, North Carolina
Being land deeded from
V. O. Buchanan, et al., to
Elcie Buchanan, as recorded
in county records Bk 152, Pg 525
Located about 5 miles west of
Dillsboro, North Carolina
Applicant: M. S. Zigler (A lessee)
Gay, North Carolina
Amount requested: $4,242
No contract: Application denied

Docket Summary

4/22/53 Received application, MF-103
4/23/53 Acknowledged receipt of application
4/27/53 Memo received from Basil G. Dean, U. S. G. S. suggesting field referral.
4/30/53 Memo received from W. F. Dietrich, U. S. B. M. suggesting field referral.
5/6/53 Received memorandum from Regional Office, Region VII, by Lawrence and Beck. They suggest a denial of application based on previous examination and denial of same mine DMA-2212. No new data is submitted by present application.

Comments:

This is the same property previously denied under former docket No. DMA-2212, V. O. Buchanan, applicant (Elcie Buchanan Mine). The former application was denied by letter from the Acting Administrator on September 26, 1952 following the recommendation made by Field Team in their report of September 16, 1952.

The new application DMEA-2995 presents no additional data to cause the field team to change their decision. They suggest a denial of exploration assistance. This is another Dexter Hall lease and should be denied exploration assistance.

The Nonmetallic Minerals Division concurs in a denial. A letter of denial is submitted herewith for approval.

Jasper T. Robertson

Jasper T. Robertson
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Robertson
Hardy
Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

July 22, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2995 - Mica
Property: Elcie Buchanan Mine
Jackson County, North Carolina
Being land deeded from
V. O. Buchanan, et al., to
Elcie Buchanan, as recorded
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Located about 5 miles west of
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Applicant: M. S. Zigler (A lessee)
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Comments:

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The new application DMEA-2995 presents no additional data to cause the field team to change their decision. They suggest a denial of exploration assistance. This is another Dexter Hall lease and should be denied exploration assistance.

The Nonmetallic Minerals Division concurs in a denial. A letter of denial is submitted herewith for approval.

Jasper T. Robertson
Nonmetallic Minerals Division

MDL 7-27-53

JTRobertson:dec 7/22/53
Copy to: Admr. R. File
Docket File
Mr. Houk

Mr. Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 4, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 6 1953

To: Operating Committee, DMEA- Washington

From: Field Team, DMEA-Region 7

Subject: Application Docket No. DMEA-2995, M. S. Zigler (mica) Gay, N. C.

The above subject application is the same as DMA-2212, V. O. Buchanan, applicant (Elcie Buchanan Mine). This application was denied by letter from the Acting Administrator on September 26, 1952, following recommendation by Field Team in their report of September 16, 1952. The application (DMEA-2995) does not present any new data that would cause the field team to change their decision suggesting denial as requested in our memo of September 17.

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

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

Mr. Robertson

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

April 30, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2995, Elsie Buchanan Mine
Jackson County, Gay, North Carolina

No data are available in this office on subject property. It is located in a general area in which strategic mica is known to be the characteristic variety. It is suggested that the field team visit this property when a member of the field team is in that vicinity to ascertain if an exploration program is justified.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

Mr. Robertson

April 27, 1953

DEFENSE MINERALS EXPLORATION
Defense Minerals Administration
RECEIVED
APR 27 1953

Memorandum

REVIEW OF APPLICATION DMEA-2995 (mica).

To: L. G. Houk, Defense Minerals Exploration Administration.
From: Basil G. Dean, U.S. Geological Survey.
Applicant's name and address: M. S. Zigler, Gay, North Carolina.
Name of property: Elcie Buchanan mine.
Location of property: About 5 miles west of Dillsboro, Jackson County, North Carolina, on a county road 2 miles north of State Highway 23.
Summary of applicant's proposal:
75 foot adit.

Sources of information on applicant's property:
None.

Comments:

(1) According to the applicant a recent 15 foot shaft on this property exposed blocks of mica with sheets up to 2" x 2".

(2) As there is no information on this property other than that submitted by the applicant, a field team examination is necessary.

(3) The lease on this property was transferred to the applicant by Frank Siersma on January 7, 1953.

RECOMMENDATION:
Field team examination.

Basil G. Dean

Basil G. Dean

April 23, 1953

Mr. M. S. Zigler
Gay
North Carolina

Subject: DMEA-2995
Re: Exploration Assistance
Elcie Buchanan Mine

My dear Mr. Zigler:

The receipt of your application dated April 21, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2995 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2995 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams, Chief
Operations Control and
Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 22 1953

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

Not to be filled in by applicant

Docket No. DMEA-2995
Metal or Mineral
Date Received 4-22-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

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

M. S. ZIGLER
GAY (JACKSON CO.)
NORTH CAROLINA

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed from V. O. Buchanan, et al, to Elcie Buchanan, dated January 16, 1941, and recorded in the office of the Register of Deeds for Jackson County, N.C., in Book 152, page 525.

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

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

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

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

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

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

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

[x] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated APRIL 21st, 1953

M. S. ZIGLER
(Applicant)

By C.D. Zigler
C.D. Zigler, Manager

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 M. S. ZIGLER GAY (JACKSON CO.) N. C. - MICA -

ELCIE BUCHANAN MINE
JACKSON COUNTY

1. Applicant is an Individual. C. D. Zigler is Manager, with full right to sign all instruments.

2. Copy of lease, assignments and Owner's Consent to Lien are attached.

4. This mine has been worked intermittently for many years. It has always produced a high grade of strategic ruby mica. Because past work had been by many shallow pits, with hand tools, partial exploration was done in July, 1952, to determine quality of pegmatite. A shaft was sunk to a depth of 15 feet and even at this depth release blocks sheeting to 2" x2". Vein material consists of feldspar, mica and quartz, assuring the presence of commercial ore bodies with sufficient additional exploration.

All past sales were made to Asheville Mica Company; with no available records. Property lies within the mica belt of the district, has considerable showings of outcroppings and is close to producing mines. These reasons contribute to the fact that suitable exploration will establish the importance of this mine.

The property lies two (2) miles north of State Highway 23, on a county road, and about five (5) miles west of Dillsboro - shipping, supply and residence points.

Sufficient manpower, etc., is available for the project.

5. It is proposed to enter the vein with a tunnel, at a point 200 feet south of the above mentioned shaft, and continue the tunnel for a distance of 75 feet into the pegmatite; as shown on attached sketch.

The work will start upon receipt of contract and completed within fifty (50) working days.

Charles D. Zigler, Applicant's son and manager, has not had a great deal of experience in mica mining. However, his Superintendent is Dexter Hall, a native of the district and fully versed in all phases of mining, processing etc., of mica. He has more than 20 years experience in the pegmatites of the area.

At applicant's own expence, a tunnel is now being constructed in the nearby Painter Knob Mine for a distance of 215' (165' has been completed). Applicant holds leases to several mines in this district which have been examined and tested and proven to contain commercial reserves; therefore desires exploratory aid to place all in operation and reach production, in maximum quantities, as quickly as possible.

- - - -

The work, 75 feet of tunnel will be done within 50 working days (1 shift).

ANSWERS TO QUESTION 6:

(a) Bulldozing to prepare for tunnel entrance, 15 hrs. @ $12.00 per hour, to remove about 450 cu. yds. of overburden (40¢ cu.yd.)	$ 180.00	$ 180.00
(b) 1 Working Foreman, 50 days @ $12.00	600.00	
1 Miner-Driller 50 " @ 10.00	500.00	
2 Muckers 50 " @ 8.00 each	800.00	1,900.00
(c) Hand Tools:- picks, shovels, hammers, wheelbarrow, axes, saws, etc.	60.00	
4 Lamps & Carbide	25.00	
4 Miners' Hard Hats @ $6.25	25.00	
12 pcs. Steel @ $6.00 average	72.00	
300 Timkin Bits @ 42¢	126.00	
15 cases Explosives @ $13.50	202.00	
Exploders	50.00	
Blasting Machine	75.00	
Timber, props, legging, etc.	50.00	685.00
(d) Rental, 105 cfm Air Compressor, 2 months	350.00	
45# Jackhammer 2 "	80.00	
Purchase, 200' track, Tram Car, spikes & cross ties (est.)	200.00	630.00
(e) None.		
(f) Tool & Equipment House, to be erected	200.00	
Explosive storage house " " "	60.00	260.00
(g) Accounting	50.00	
Compensation & Liability Insurance	300.00	
Payroll Taxes	35.00	385.00
(h) Contingencies - 5% of total	202.00	202.00
ESTIMATED COSTS		$ 4,242.00

- - - -

Mf-103 M. S. ZIGLER GAY, N. C. COPY- ELCE BUCHANAN LEASE

THIS LEASE AGREEMENT, made and entered into this 30th day of Octoberm 1951, by and between Elcie Buchanan and wife Annie Buchanan, parties of the first part and Dexter Hall and G. L. Green, parties of the second part, all of Jackson County, N. C.

WITNESSETH, That subject to the terms and conditions hereinafter set forth the parties of the first part have let and leased unto the said parties of the second part, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals now in, under and upon a certain tract or parcel of land lying and being in Jackson County, N. C., consisting of nine (9) acres more or less, described as follows, together with any other minerals or lands now owned or which may be acquired by the parties of the first part:

BEING the lands conveyed by deed from V. O. Buchanan, et al, to Elcie Buchanan, dated January 16, 1941 and recorded in the office of the Register of Deeds for Jackson County, N. C., on February 25, 1947, in Book 152 at page 525.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for a term of five (5) years from date hereof; however, it is mutually agreed that, upon compliance with its terms and conditions, same shall be automatically extended from year to year thereafter.

2. As rental or royalty, the parties of the second part, their heirs and assigns, shall pay to the partiesof the first part a sum equal to ten percent (10%) of all sheet or block mica, One Dollar ($1.00) per ton for all scrap mica, fifty cents (50¢) per ton for all feldspar and the usual royalties for all other minerals mined and sold from said property.

3. That all royalties shall be paid on the 15th day of each calendar month following the production, sale and receipt of the sale price thereof.

4. Parties of the second part, their heirs and assigns, shall keep and accurate record of all sales of minerals from this property which shall be open to inspecti onby the parties of the first part.

5. The parties of the second part, their heirs or assigns, agree that they will conduct mining operations upon said property for a period of not less than eight months each year this lease remains in force.

6. In the event the parties of the second part should apply for a government loan to explore or operate this property, the parties of the first part hereby authorize Dexter Hall to execute any required government agreements as their Attorney in Fact, for them and in their name.

So long as this lease remains in force the parties of the second part, their heirs and assigns, in connection therewith shall have and enjoy the following rights and privileges:

(a) The right to use the surface of said lands to the full extent that such use is reasonable, convenient and necessary in mining and removing the minerals therefrom and to use any portions of the said surface for the purpose of dumping mine refuse and tailings as may be reasonable necessary or convenient.

(b) The right to construct and place buildings on said lands, and machinery, and to remove same.

(c) The right to cut and use upon said lands, for the purposes hereinset out, any standing timber thereon at the time of such use.

(d) The right to use any water upon said property as may be necessary in the course of mining operations.

(e) The right to construct and maintain roads, in such locations as the parties of the second part may deem advisable, and complete right of ingress, egress and regress to and from such portions of said property where mining operations are in progress or to be conducted.

THIS LEASE AGREEMENT, made and entered into this 20th day of October 1952, by and between Elcie Buchanan and wife Annie Buchanan, parties of the first part and Dexter Hall and G. L. Green, parties of the second part, all of Jackson County, N. C.

WITNESSETH, That subject to the terms and conditions hereinafter set forth the parties of the first part have let and leased unto the said parties of the second part, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals now in, under and upon a certain tract or parcel of land lying and being in Jackson County, N. C., containing of nine (9) acres more or less, described as follows, together with any other minerals or lands now owned or which may be acquired by the parties of the first part:

Being the lands conveyed by deed from V. O. Buchanan, et al, to Elcie Buchanan, dated January 16, 1951 and recorded in the office of the Register of Deeds for Jackson County, N. C., on February 26, 1952, in Book 152 at page 525.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for a term of five (5) years from date hereof; however, it is mutually agreed that, upon compliance with the terms and conditions, same shall be automatically extended from year to year thereafter.

2. As rental or royalty, the parties of the second part, their heirs and assigns, shall pay to the parties of the first part a sum equal to ten percent (10%) of all sheet or block mica, one dollar ($1.00) per ton for all scrap mica, fifty cents (50¢) per ton for all feldspar and the usual royalties for all other minerals mined and sold from said property.

3. That all royalties shall be paid on the 15th day of each calendar month following the production, sale and receipt of the sale price thereof.

4. Parties of the second part, their heirs and assigns, shall keep and accurate record of all sales of minerals from this property which shall be open to inspect only the parties of the first part.

5. The parties of the second part, their heirs or assigns, agree that they will conduct mining operations upon said property for a period of not less than eight months each year this lease remains in force.

6. In the event the parties of the second part should apply for a government loan to explore or operate this property, the parties of the first part hereby authorize Dexter Hall to execute any required government agreements as their Attorney in Fact, for them and in their name.

So long as this lease remains in force the parties of the second part, their heirs and assigns, in connection therewith shall have and enjoy the following rights and privileges:

(a) The right to use the surface of said lands to the full extent that such use is reasonable, convenient and necessary in mining and removing the minerals therefrom and to use any portions of the said surface for the purpose of dumping mine refuse and tailings as may be reasonable necessary or convenient.

(b) The right to construct and place buildings on said lands, and machinery, and to remove same.

(c) The right to cut and use upon said lands, for the purposes hereinset out, any standing timber thereon at the time of such use.

(d) The right to use any water upon said property as may be necessary in the course of mining operations.

(e) The right to construct and maintain roads, in such locations as the parties of the second part may deem advisable, and complete right of ingress, egress and regress to and from such portions of said property where mining operations are in progress or to be conducted.

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

Elcie Buchanan
Annie Buchanan
Dexter Hall & GL. Green
By Dexter Hall

THIS LEASE RECORDED IN JACKSON COUNTY, OCTOBER 30, 1951; Book 189, Page 258.

- - - -

ASSIGNMNET - HALL & GREEN TO SIERSMA:

We, Dexter Hall and G. L. Green of Jackson Coutny, North Carolina, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to Frank Siersma all our right, title and interest in and the following lease:

> BEING the lease executed to us on October 30, 1951, by Elcie Buchanan et al, and recorded in the office of the Reg s ter of Deeds for Jackson County, N. C., in Book 189, page 258.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 25th day of November, 1952.

Dexter Hall & G. L. Green
By Dexter Hall
Partner

ASSIGNMENT - SIERSMA TO ZIGLER:

I, Frank, Siersma of Macon County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations do hereby sell, assign and transfer to M. S. Zigler all my right, title and interest in and to the following lease:

> BEING the lease executed October 30, 1951 from Elcie Buchanan et al, to Dexter Hall and G. L. Green, and recorded in the office of the Register of Beeds for Jackson County, N. C., in Book 189 at page 258, said lease having been assigned to me by Dexter Hall and G. L. Green on November 25, 1952, which assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 7th day of January, 1953.

Frank Siersma.

BOTH ASSIGNMENTS RECORDED IN JACKSON COUNTY ON MARCH 12, 1953, IN BOOK 198 AT PAGE 89.

- - - - -

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

Elsie Buchanan
Annie Buchanan
Dexter Hall & G. L. Green
By Dexter Hall

THIS LEASE RECORDED IN JACKSON COUNTY, OCTOBER 20, 1951; Book 189, Page 258.

- - - -

ASSIGNMENT - HALL & GREEN TO SIERMA:

We, Dexter Hall and G. L. Green of Jackson County, North Carolina, for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations, do hereby sell, assign and transfer to Frank Sierma all our right, title and interest in and the following lease:

BEING the lease executed to us on October 20, 1951, by Elsie Buchanan et al, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189, page 258.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this 25th day of November, 1952.

Dexter Hall & G. L. Green
By Dexter Hall
Partner

ASSIGNMENT - SIERMA TO SIGLER:

I, Frank Sierma of Macon County, N. C., for and in consideration of the sum of One Dollar ($1.00) and other good and valuable considerations do hereby sell, assign and transfer to M. S. Sigler all my right, title and interest in and to the following lease:

BEING the lease executed October 20, 1951 from Elsie Buchanan et al, to Dexter Hall and G. L. Green, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 189 at page 258, said lease having been assigned to me by Dexter Hall and G. L. Green on November 25, 1952, which assignment is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this the 7th day of January, 1953.

Frank Sierma.

BOTH ASSIGNMENTS RECORDED IN JACKSON COUNTY ON MARCH 12, 1953, IN BOOK 198 AT PAGE 89.

- - - -

MF-203

OWNER'S CONSENT TO LIEN

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

BEING the lands conveyed by deed fro, V. O. Buchanan et al, to Elcie Buchanan dated January 16, 1941, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 152 at page 525.

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

2/ M. S. ZIGLER
GAY, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 6,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 20th day of April, 1953.

Dexter Hall [Seal]
Dexter Hall, Attorney in Fact
(in accordance with lease) [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

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

BEING the lands conveyed by deed fro, V. O. Buchanan et al, to Elcie Buchanan dated January 16, 1941, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 152 at page 525.

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

2/ M. S. ZIGLER
GAY, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 6,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 20th day of April, 1953.

Dexter Hall [Seal]
Dexter Hall, Attorney in Fact
(in accordance with lease) [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

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

BEING the lands conveyed by deed fro, V. O. Buchanan et al, to Elcie Buchanan dated January 16, 1941, and recorded in the office of the Register of Deeds for Jackson County, N. C., in Book 152 at page 525.

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

2/ U. S. ZINC

OAK, N. C.

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 6,500.00, or ten years have elapsed from the date of the contract.

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

Dated this 20th day of April, 1953.

Dexter Hall [Seal]
Dexter Hall, Attorney in Fact
(in accordance with lease) [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

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

[illegible] the lands conveyed by Ford Geo. U. G. Jackson et al. to Mele Jackson dated January 16, 1941, and recorded in the office of the Registrar of Deeds for Jackson County, U. G., in Book 162 at page 525.

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

2/ U. G. [illegible]
[illegible], U. G.

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 20th day of April, 1953.

Dexter Hall [Seal]
Dexter Hall, Attorney in Fact
(in accordance with Lease) [Seal]

[Seal]

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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MF-203

OWNER'S CONSENT TO LIEN

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

[illegible]

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

2/ [illegible]

hereinafter called the "Operator"; and

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

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

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

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

Dated this [illegible] day of [illegible], 195[illegible].

Dustin Hall [Seal]

[illegible] [Seal]

[illegible] [Seal]

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

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

_____

_____

_____

_____

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

2/_____

_____

_____

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

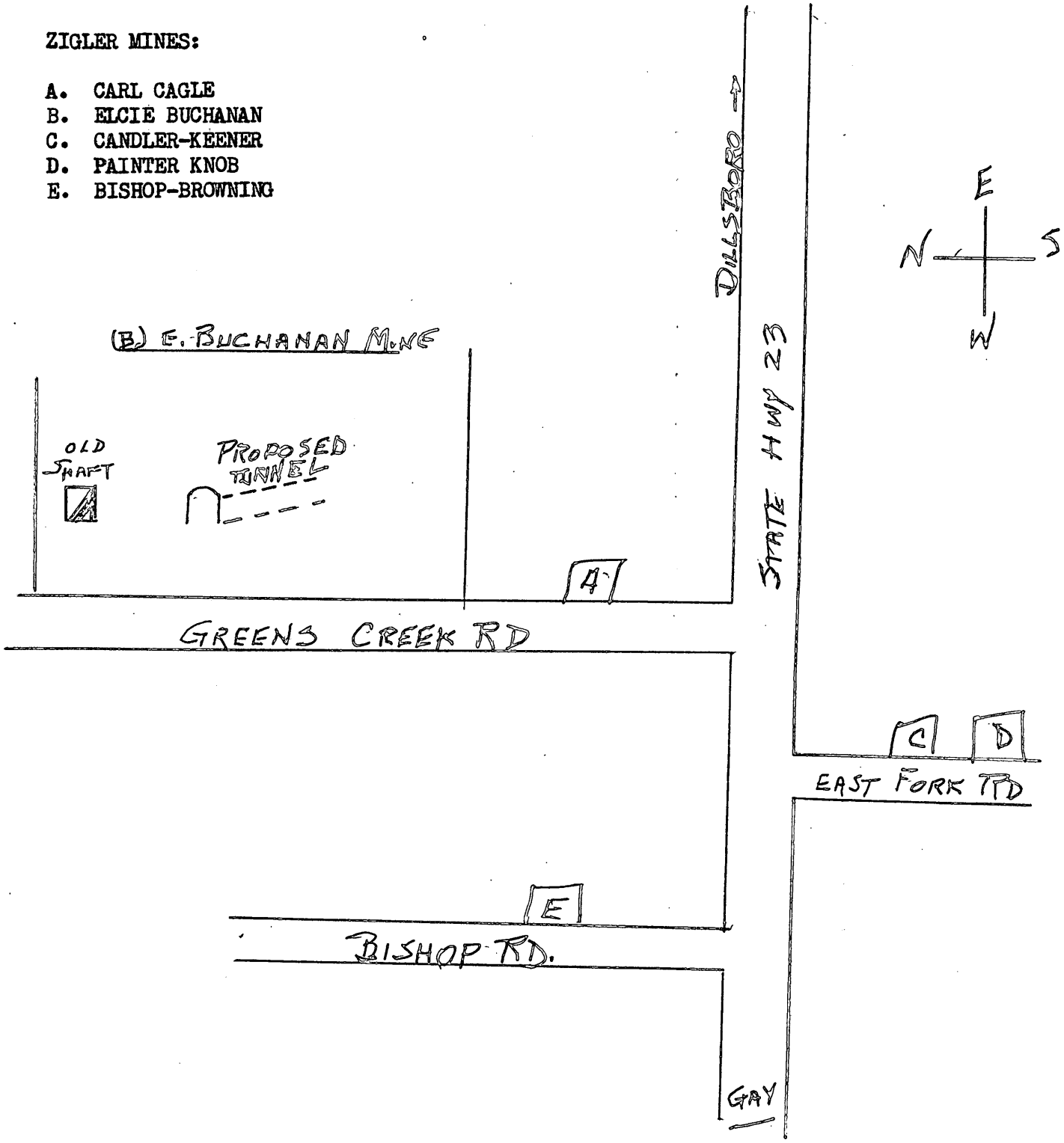
DMEA-2995

MF-103 M. S. ZIGLER SYLVA, N. C.

- MICA -
ELCIE BUCHANAN MINE
JACKSON COUNTY

ZIGLER MINES:

A. CARL CAGLE
B. ELCIE BUCHANAN
C. CANDLER-KEENER
D. PAINTER KNOB
E. BISHOP-BROWNING



1 copy of map enclosed
4-28-53

OFFICIAL BUSINESS

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

Mr. George C. Selfridge, Chairman
Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.