☑ Audited R.R. 1-20-54 WORK ANALYSIS SHEET — DMEA PROJECT ☐ Actual Cost

☐ Certified Analysis as of 12-2-54 ☑ Agreed Unit Costs
Incl. Voucher for Nov. 1953

Name Blalock & Hamrick Mining Company Docket No. 3022

State N.C. Commodity Mica Idn-E No. 617

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	80	2400—	none	none	none
Raising					
Shafts	70	2800—	none	none	none
Winzes					
Drilling (Specify)					
Surface Excavation		$ 350—		$ 350—	$ 350.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		$ 5,550—		$ 350—	$ 350.00

Prepared by L. G. H.

Mr. Robertson

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Hoyle Blalock, Henry J. Hamrick,
Wade Hamrick and Sam L. Phillips
d/b/a Blalock & Hamrick Mining Company
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Ion-1617, Docket No. DMEA-3022, for the month of November, 1953, covering a project for the exploration of mica on property known as the Blalock Prospects, located in Cleveland County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to reports of Government representatives who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

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

the contract provides for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$ 350.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$ 350.00

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

$315.00

is considered valid and proper.

Jan. 20, 1954

E. D. Talbert

E. D. Talbert, Auditor

DIVISION COPY

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

It is agreed this 4th day of December, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Hoyle Blalock, Henry W. Hamrick, Wade Hamrick, all of Boiling Springs, N. C. and Sam. L. Phillips of Spruce Pine, N. C. doing business as BLALOCK AND HAMRICK MINING CO., hereinafter called the "Operator," parties to that certain Exploration Project Contract I-dm-E 617, Docket No. DMEA-3022, dated 1st October 1953, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

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

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

UNITED STATES OF AMERICA

By Robert A. Lawrence EXECUTIVE OFFICER
DMEA REGION VII

Blalock and Hamrick Mining Co.
(Operator)

By Hoyle Blalock

By Henry W. Hamrick

By Wade Hamrick

By Sam L. Phillips

18262-1

DMEA

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3022

COMMODITY Mica

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1953

Division Copy

IDM-E 617

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 1st day of October, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Hoyle Blalock, Emry M. Hamrick, Wade Hamrick, all of Dolling Springs, North Carolina, and Sam L. Phillips of Spruce Pine, North Carolina, doing business as the BLALOCK AND HAMRICK MINING COMPANY

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

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

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

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner, in possession and entitled to possession, and that the property is free and clear of all claims, liens or encumbrances, to each of which the subordination agreement of the lienholder is attached:~~

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

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

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

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $4,995.00, which is 90 percent of $5,550.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

BLALOCK AND HAMMICK MINING COMPANY
(Operator)

By Hayes B. Blalock Partner
By Wallace Hammick Partner
By Wade Hammick Partner
By Sam L. Phillips Partner

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
[illegible] MINING COMPANY
[illegible]

DEPARTMENT OF THE INTERIOR
Solid Minerals Exploration
RECEIVED
OCT 21 1958

ANNEX 3

The following provisions are in lieu of all of paragraph (a) of Article 6 which precedes the colon:

If at any time the Government considers that a discovery or 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 final report and final account required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, as follows: (1) Regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

EXPLORATION PROJECT CONTRACT
BLALOCK AND HAMRICK MINING COMPANY
DOCKET NO. DMEA-3022

ANNEX II

The land referred to in Article 2 of the contract form consists of a tract of land in Cleveland County, North Carolina, leased for mining purposes to the Operator by Hoyle Blalock and Sara Hamrick Blalock by an instrument dated April 21, 1953, and recorded in Book 6W, page 62, of the records of Cleveland County, North Carolina, known as Lot No. 3, and more particularly described as follows:

> Beginning at a Hickory tree which marked the old corner between the property of Hoyle Blalock and his wife, and that of Galena Jolly, located South 35 East 39.5 feet from a big double Red Oak tree, and South 5 West 139.8 feet from a branch known as Rock Branch in a hollow below the corner, and running thence, with the old line, North, 55 degrees and 30 minutes East, 1286 feet to a stake in the old line. Thence, a new line, North, 32 degrees and 00 minutes West 300 feet to a stake in the pasture. Thence, another new line, North, 69 degrees and 30 minutes West, 580 feet to a stake in the old East line. Thence, with the old line, South, 61 degrees and 30 minutes West, 772 feet to a stone, old corner. Thence, with the old line, South, 21 degrees and 30 minutes East, 875 feet to the Beginning.

This Lot No. 3 is indicated on the map referred to in Exhibit "A."

EXPLORATION PROJECT CONTRACT
BLALOCK AND HAMRICK MINING COMPANY
DOCKET NO. DMEA-3022

EXHIBIT "A"

Description of the Work

On the map attached hereto and made a part hereof and entitled "Map No. 1, Blalock Prospects, Cleveland Co., N. C." there is indicated thereon the sites of Prospect No. 2 and Prospect No. 3, where the work is to be performed and which shall be done in two stages as follows:

Stage I

1. At the site of Prospect No. 2,cut a bulldozer trench approximately 50 feet long by 25 feet wide to a depth of 6 feet to expose a pegmatite.

2. At the site of Prospect No. 3, cut a bulldozer trench approximately 50 feet long, 30 feet wide to a depth of 6 feet.

Stage II

The work of Stage II shall not start until after the completion of Stage I and only after prior approval of the Government field engineers.

1. On the site of Prospect No. 2, sink a shaft 35 feet deep and from the shaft drift or crosscut 40 feet on the most favorable mica-pegmatite showing exposed in the shaft.

2. On the site of Prospect No. 3, sink a shaft 35 feet deep and from the shaft drift or crosscut 40 feet on the most favorable mica-pegmatite showing exposed in the shaft.

The location, extent, and direction of all work in both stages shall be approved by the Government field engineers.

Agreed Unit Costs

Stage I

Prospect No. 2

Bulldozing 15 hours @ $10.00/hr.	$150.00

Prospect No. 3		
Bulldozing 20 hours @ $10.00/hr.	$200.00	$ 350.00
Stage II		
Prospect No. 2		
Shaft sinking, 35 ft. @ $40.00/ft.	1,400.00	
Drifting or crosscutting, 40 ft. @ $30.00/ft.	1,200.00	2,600.00
Prospect No. 3		
Shaft sinking, 35 ft. @ $40.00/ft.	1,400.00	
Drifting or crosscutting, 40 ft. @ $30.00/ft.	1,200.00	2,600.00
Total Agreed Unit Costs		$5,550.00
Government Participation @ 90%		$4,995.00

MF-203 OWNER'S CONSENT TO LIEN

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

in a lease dated April 21st, 1953, recorded in Book [illegible] at page [illegible] official records of said County

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/ Hoyle Blalock, Wellie Hamrick, Wade Hamrick and Sam Phillips, trading and doing business as the Blalock and Hamrick Mining Company

hereinafter called the "Operator"; and

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

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

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

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

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

4. The exact nature of the interest held in the above described property by the undersigned is stated on the reverse side of this paper writing and is to be taken as a part of this paper writing as if fully set out herein.

Dated this 21st day of April, 1953.

Hoyle Blalock [Seal]

Wellie Hamrick [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, and in the absence of mining or production operations Operator has no obligation to repay the Government.

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.

4. (See other side) Lots 1, 2 and 3 are fully described by metes and bounds in the mining lease recorded in Book at page of the Cleveland County Registry, North Carolina. Sarah Hamrick Blalock holds a life interest in lots 1 and 2 and no more. Hoyle Blalock and Sarah Hamrick Blalock both hold a life interest in Lot 3 and no more.

DMEA-3022
Mica
Region VII

BLALOCK, MARRICK, MARRICK, AND PHILLIPS, BOILING SPRINGS, NORTH CAROLINA. Blalock Prospect, Cleveland County, North Carolina. 6-17-53 No. 230

Field Report recommending approval. The report was referred to the Commodity Group.

DMEA-3022

MARRICK, [illegible] BOILING SPRINGS, NORTH CAROLINA. [illegible] Prospect, [illegible] County, North Carolina. 5-20-53 No. 218

[illegible] the application, [illegible] Commodity Group.

600

FEB 23 1954

Mr. Sam L. Phillips
Blalock and Hamrick Mining Company
Spruce Pine, North Carolina

Re: Docket No. DMEA-3022 - Mica
Blalock and Hamrick Mining Company
Blalock Prospect
Cleveland County, North Carolina
Contract No. IAm-E617

Dear Mr. Phillips:

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

Total claimed for units of work performed	$350.00
Total Government contribution at 90 percent	$315.00

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

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom, except with respect to any production between the date of the contract and the end of the period within which the Government might make such certification.

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

Sincerely yours,

G. O. Mittendorf

JHopkins:gad 2/17/54
Copy to: Admr. R. File
Docket File
Field Team, Reg. 7 Administrator
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Mrs. Sarah Hamrick Blalock
Mr. Hoyle Blalock
both of
Boiling Springs, N. C.

February 17, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. BMEA-3022 - Mica
Blalock Prospects #2 and #3
Cleveland County, North Carolina

Operator: Blalock and Hamrick Mining Company (Partnership)
Hoyle Blalock, H. W. Hamrick, and Wade Hamrick
Boiling Springs, North Carolina
Sam L. Phillips
Spruce Pine, North Carolina

Operator's Property Rights:
Lessee - lease dated April 21, 1953.
Owner's Consent to Lien dated April 21, 1953.

Contract: Dated October 1, 1953.
Work authorized:

Stage I		
Prospect #2 - Bulldozing 15 hrs. @ $10/hr.	$150.00	
Prospect #3 - Bulldozing 20 hrs. @ $10/hr.	$200.00	$350.00
Stage II		
Prospect #2 - Shaft sinking 35 ft. @ $40/ft.	$1,400.00	
Prospect #2 Drifting or Crosscutting 40 ft. @ $30/ft.	1,200.00	$2,600.00
Prospect #3 - Shaft sinking, 35 ft. @ $40/ft.	$1,400.00	
Prospect #3 - Drifting or Crosscutting 40 ft. @ $30/ft.	1,200.00	$2,600.00
Total estimated cost		$5,550.00
Government participation @ 90 percent		$4,995.00

Amendments: None

Work completed:

Stage I

Prospect #2 - 427 cu.yds. @ $0.351/cu.yd.	$150.00
Prospect #3 - 684.4 cu.yds.@ $0.292/cu.yd.	200.00
Total cost of project	$350.00
Government participation @ 90 percent	$315.00

Work began October 29, 1953 and was completed November 4, 1953.

Audit: Report of review by Contract Administration and Audit Division dated January 20, 1954.

Certification of Discovery: No certificate of discovery issued.

Comments:

Three prospects on this property were examined by examining engineers of the Field Team, Region 7, two of which in their opinion, warranted a limited amount of exploration.

On Prospect No. 2 exploration appeared justified because a pit 5 feet deep had been sunk on a weathered pegmatite which was at least four feet thick. Excellent ruby colored mica up to six inches in diameter was found scattered in dump material from the pit.

On Prospect No. 3 exploration was justified because the dump material from a pit fifteen feet deep and at least one drift on a pegmatite showed fragments of excellent quality ruby colored mica up to five inches in diameter.

Bulldozing of a trench 96' x 12' x 10' on Prospect #2 and a trench 110' x 14' x 12' on Prospect #3 of Stage I of the project exposed only small pegmatite stringers that did not warrant continuing any of the work approved for Stage No. 2 of the project. The operation was conducted in an efficient and satisfactory manner. Because no significant amounts of strategic mica was found, it is concluded that no discovery was made.

JHopkins:gad 2/18/54

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

James Hopkins
Nonmetallic Minerals Division

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

COPY

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

January 8, 1954

Memorandum

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

From: D M E A Field Team, Region 7

Subject: Final Reports: DMEA-3046, Idm-E 593; Smith Mica Co. (mica)
DMEA-3022, Idm-E 617; Blalock & Hamrick (mica)
DMEA-3023, Idm-E 616; Blalock & Hamrick (Mica)

Enclosed are four copies of the Field Team final reports on each of the subject exploration contracts. Operator's final geologic reports have not been received; it is not likely that they will be very informative.

Each of these contracts was terminated by mutual agreement, after a smallamount of work showed that further exploration was undesirable. Therefore, we agree with the examiners' conclusions that certification should not be issued for any of these projects.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
1-18-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
By
Field Team
on
DMEA-3022, Idm-E 617, BLALOCK PROSPECTS
(mica)
Cleveland County, North Carolina

By

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

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

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

January 4, 1954

Reviewed by
DMEA OPERATING COMMITTEE
1-18-54
(date)

FINAL REPORT
ON
DMEA-3022, BLALOCK PROSPECTS #2 and # 3 (mica)
Contract Idm-E 617

Operators:

Hoyle Blalock, Henry W. Hamrick, and Wade Hamrick, of Boiling Springs, and Sam L. Phillips of Spruce Pine, North Carolina.

The Blalock Prospects #2 and #3 are approximately 1 mile northwest of Boiling Springs, Cleveland County, North Carolina.

Work completed consisted of trenching under Stage I of the contract. As no pegmatite body of workable size was discovered on either prospect, the contract was terminated by mutual agreement effective December 4, 1953. No commercial mica was discovered, thus no certification of discovery should be issued.

The work began October 29, 1953 and was completed November 4, 1953.

Prospect # 2

A trench 96' x 12' x 10' in depth and trending N. 60° E., was bulldozed on Prospect #2. The trenching required 15 hours of machine work. Minor pegmatitic materials enclosed by sillimanite schist was exposed in the central portion of the trench. It consists of massive quartz, weathered feldspathic material and mica of poor quality.

Prospect #3

A trench 110' x 14' x 12' in depth and trending E-W was bulldozed on Prospect #3. This trenching required 20 machine-time hours. A pegmatite stringer 6 to 8 inches thick with a few small mica books was exposed in the deepest part of the trench. Enclosing country rock is weathered mica schist with occassional granitic stringers.

Expenditures:

(a) Total approved	$5,550.00
(b) Total cost of Project	350.00
(c) Government's share of cost	315.00
(d) Government's share unexpended	4,680.00
(e) Value of production during operation	none

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

K. H. Teague, USGS

L. E. Shirley, USBM

January 4, 1954

D. H. Amos, USGS

mm

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 5 1954

February 5, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3022

Contract Number: Idm-E617

Applicant: Hoyle Blalock

Name and Location of Property: Blalock Prospects
Cleveland County, North Carolina

Date of Field Team Final Report: January 8, 1954

Date Rec'd by Ceramic & Fertilizer Mats. Branch: February 4, 1954

Field Team Recommendation:

1. No certification of discovery or development.

Comments

1. No commercial mica was recovered.

2. Expenditures:

Total approved	$5,550
Total costs	350
Government's share	315
Value	None

Recommendation:

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

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JAN 21 1954

January 20, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3022 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Hoyle Blalock, H. M. Hamrick, Wade Hamrick, and S. L. Phillips.
Name of property: Blalock Prospects #2 and #3.
Location of property: Approximately 1 mile northwest of Boiling Springs, Cleveland County, North Carolina.
Date of field team report: January 4, 1954.
Authorship of field team report: R. H. Teague, L. A. Shirley, D. H. Amos.
Field team's recommendation: No certification of discovery should be issued.
Comments:
Because no commercial mica was discovered, no further work is recommended.
ACTION RECOMMENDED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
1/20/54
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

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

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

158

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ATTACHED ON VOUCHER & SCHEDULE OF PAYMENTS K-34

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of November 195 3 Docket No. DMEA 3022 Contract No. Idm-E 617

Operator's Name Blalock & Hamrick Mining Company Minerals Mica

Address Box 776, Spruce Pine, North Carolina

Contract Amount, $ 5,550.00 Government Participation: 90 % Amount, $ 4,995.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling	$350.00	None	$350.00			
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$350.00	None	$350.00	350.00		350.00

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

Date 12-2-53 *Payee Blalock & Hamrick Mining Company

Per Sam L Blalock Title Partner

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

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

(Instructions on reverse)

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

$ 315.00

Signature Cora A. Fisher
(Authorized Certifying Officer)

Date DEC 9 1953 Vou. No. 158

(See other side)

1st Final S-11/2 350.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E617 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.Bm Date Dec. 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Wm Beck ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date DEC 7 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of November 1953 Docket No. DMEA 3022 Contract No. Idm-E 617
Operator's Name Blalock & Hamrick Mining Company Minerals Mica
Address Box 776, Spruce Pine, North Carolina

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Hrs	$350.00	35	$350.00	35	$350.00	35	$350.00
TOTAL DISTRIBUTED COSTS		350.00		350.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		350.00		350.00				

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

Date 12-2-53 Operator Blalock & Hamrick Mining Co.

Per Sam L Phillips Title Partner

REMARKS:

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

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

First and Final Report

OPERATORS

MONTHLY PROGRESS REPORT

for the

Month of November 1953

Work began: November 2, 1953
DMEA No. : 3022
Idm-E : 617

Work Accomplished: Prospect No. 2

Moved dozer in. Employed one laborer to help dozer operator cut trench 90 feet long by 12 feet wide, to a depth of approximately 8 feet deep. Did not find any mica but found a quartz wall in bottom of trench.

Mr. Lawrence E. Shirley inspected this prospect and advised us that the Government Field Engineers would not approve Stage II of this contract.

Work Accomplished: Prospect No. 3

Moved in bulldozer and one laborer to help dozer operator, and started work on November 3. Cut trench 80 feet long and 20 feet wide to a depth of 6 to 8 feet but found no mica that was saleable. Mr. Lawrence E. Shirley inspected this prospect and advised us to stop, that the Government Field Engineers would not approve of Stage II on this prospect.

Sam L Phillips

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

Department of the Interior
Bureau Mines Administration
Received
DEC 17 1953

December 16, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3022, Mica

Contract Number: Idm-E-617

Applicant: Blalock, Hoyle

Name and Location of Property: Blalock Prospects No. 2 and No. 3
Cleveland County, North Carolina

Date of Field Team Interim Report: November 4, 1953

Date Rec'd by Ceramic & Fertilizer Materials Branch: December 7, 1953

Field Team Recommendation: Termination of the contract with completion of Stage I.

Comments:

The exploration project was to have been conducted in two stages for Prospects No. 2 and No. 3. If trenching by bulldozer (Stage I) did not show a suitable pegmatite, work was to be terminated.

Material encountered through trenching in both prospects does not indicate a suitable pegmatite.

Recommendation:

I concur in the field team's recommendation to terminate this contract. However, it is suggested the field team submit a final report with a breakdown of the total expenditures.

Signed

W. F. Dietrich

PRIVACY ACT NOTICE
PROPRIETARY INFORMATION
[illegible]
[illegible]

IN REPLY REFER TO:

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

December 1, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3022 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Blalock, Hamrick, Hamrick, and Sam Phillips.
Name of property: Blalock prospects #2 and #3.
Location of property: 1 mile NW of Boiling Springs, Cleveland County, North Carolina.
Date of field team report: November 4, 1953.
Authorship of field team report: L. E. Shirley.
Field team's recommendation: Termination of contract with Stage 1; no further work to be done at each prospect.
Comments: Prospects unworthy of further expenditures.
ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

Larrabee:jeh
12/1/53
cc: Director's reading 4212
Branch reading 4212
DMEA 3
Larrabee G-230

DEC 3 - 1953

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

Subject: Docket No. DMEA-3022 - Mica
Blalock and Hamrick Mining Company
Blalock Prospects #2 and #3
Cleveland County, North Carolina
Contract No. Idm-M617

Dear Mr. Laurence:

Reference is made to the field Interim Report of November 4, 1953, on the Blalock Prospects #2 and #3 recommending that the contract be terminated.

You are authorized to terminate the contract using the standard form "Termination of Exploration Project Contract by Agreement After Commencement but before Completion of the Work".

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

D. M. Larrabee

Member, Geological Survey

JTRobertson:gad 12/1/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

RECEIVED

INTERIM REPORT

DMEA-5022 Adm-5617 (mica) BLALOCK PROSPECTS #2 and #3

OPERATOR: Hoyle Blalock, Henry W. Hamrick and Wade Hamrick, all of Boiling Springs, N. C. and Sam L. Phillips of Spruce Pine, North Carolina.

LOCATION: About 1 mile northwest of Boiling Springs, Cleveland County, North Carolina.

Prospect #2

A trench has been completed on this project by bulldozer, 96' x 12' and 10' deep, trending N 60° E, which required 15 hours machine time. Minor pegmatite material is exposed in the central and deepest part of the trench, but it does not appear to have enough significance to warrant further exploration in the form of Stage II. It is recommended that no additional work be attempted at this prospect. Some massivie quartz and feldspathic material containing mica of poor quality is exposed. Sillimanitic schist encloses the small body.

Prospect #3

Trenching by bulldozer has been completed on this prospect and required 20 hours of machine work. The trench trends E-W and is 110' x 14' x 12' in depth. About 6 to 8 inches of pegmatite stringer material is exposed in the deepest part of this cut and a few pieces of small mica was observed in place. Most of the material encountered during trenching was weathered mica schist and red clay. Occasional granitic stringers were observed in the trench. No additional work is justified on this prospect and it is recommended that the contract be terminated with completion of Stage I.

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

November 4, 1953

600

OCT - 1 1953

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

Subject: Docket No. DMEA-3022 - Mica
Blalock Prospect
Cleveland County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which it is obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

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

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 10

JTRobertson:gad 9/28/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

September 25, 1953

Memorandum

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

From: Chief Counsel

Subject: Blalock and Hamrick Mining Company (Mica)
Docket No. DMEA-3022

Attached in satisfactory legal form for execution is a contract covering the above-described project, subject to your approval of the Government's contribution of 90 percent.

Albert E. Kane
for J. L. Hofflund
Chief Counsel

Attachments

AEKane:ep

Copy to: Mails & Files
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.

603

JUL 2 8 1953

Mr. Sam Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3022 - Mica
Blalock Prospect
Docket No. DMEA-3023 - Mica
Hamrick Prospect
Cleveland County, North Carolina

Dear Mr. Phillips:

Reference is made to the land descriptions contained in the lease covering the Blalock Prospect (Lot No. 3), DMEA-3022 and the Hamrick Prospect (Lots No. 1 and No. 2) DMEA-3023.

The description delineate accurately the areas contained in each lot but does not give the exact locations of the points of beginning. Please send us sketches showing bearing and distance of one or more of the corners to known property corner. Sketches will probably be sufficient without requiring changes to the lease.

Sincerely yours,

Lawrence C. Houk, Chief
Nonmetallic Minerals Division

JTRobertson:gad 7/22/53

Copy to: Admr. R. File
Docket File
Field Team, Region VII
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.

July 2, ~~June 30,~~ 1953

Memorandum

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

From: Chief Counsel

Subject: Blalock and Hamrick Mining Company, Docket No. DMEA-3022 (Mica)

There is attached, in satisfactory legal form for execution with the following exceptions a contract covering the above-described project:

1. The description of the property in the lease delimits accurately the area of land on which the project work is to be performed, but does not give the exact location of the point of beginning. Therefore, a more accurate description of the property must be inserted in Annex II.

2. Reference should also be made in Annex II to the plat of Lot No. 3, which is designated "Map No. 1, Blalock Prospects, Cleveland Co., N. C., DMEA-3022."

/s/ A E Kane
for J. L. Hofflund
Chief Counsel

Attachments

P. S. Please attach Owner's Consent to Lien.

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

June 26, 1953

Memorandum

To: Nonmetallic Minerals Division
Through: Mr. J. T. Robertson

From: Chief Counsel

Subject: Blalock and Hamrick Mining Company, Docket Nos. DMEA-3022 and 3023 - Mica

The lessors in these cases purport to give a 3-year lease to the Operator. Actually, they cannot give a firm 3-year lease, because the "Owner's Consent to Lien" indicates that the lessors only own a life interest in the property, and that life interest may terminate at any moment. Consequently, the lease would only be valid for a definite term of years if the remaindermen join with the lessors in the lease. The Owner's Consent to Lien should also be signed by these remaindermen.

(S) A Kane
for J. L. Hofflund
Chief Counsel

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 22 1953

June 19, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3022, Mica, Blalock Prospect, Cleveland County
North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $5,550.

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

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

June 18, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA 3022 (mica)

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

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

Applicant: Blalock, Hamrick and Phillips, Boiling Springs, North Carolina.

Name of property: Blalock prospects

Location of property: 1 mi. NW of Boiling Springs, Cleveland Co., N. C.

Date of field team report: June 9, 1953

Authorship of field team report: Kefton H. Teague, Geologist, USGS, and Lawrence E. Shirley, Mining Engineer, USBM.

Field team's recommendation:

1. No work on Prospects No. 1.

2. Exploration at Prospects No. 2 and 3 as follows:

Prospect 2 - stage 1 - bulldozing
stage 2 - 35 ' shaft, 40' drift

$2,750,00

Prospect 3 - stage 1 - bulldozing
stage 2 - 35' shaft, 40' drift

$2,800

Comments: None

Action suggested: Follow field team's recommendation.

D. M. Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3022, BLALOCK PROSPECTS (Mica).
Cleveland County, N. C.

By

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

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

June 9, 1953

Reviewed by
DMEA OPERATING COMMITTEE

(date)

Field Examination Report

on

DMEA-3022, BLALOCK PROSPECT (mica).

Applicants: Hoyle B Blalock, H. W. Hamrick, and Wade Hamrick
Boiling Springs, N. C. and S. L. Phillips, Spruce Pine, N. C.
c/o Hoyle Blalock, Boiling Springs, N.C.

At least three prospects occur on this property. Two appear to warrant a limited amount of exploration.

The prospects were examined June 2, 1953. Messrs. Hoyle Blalock and H. W. Hamrick accompanied the examiners on the inspection which required two hours.

The Blalock prospects are located about one mile northwest of Boiling Springs, Cleveland County, North Carolina. Access to all of the prospects is very good at all times.

Of the applicants, only S. L. Phillips has mica mining and processing experience. He is to be in charge of any operation and is competent to conduct the proposed exploration.

One of the applicants (Hoyle Blalock) and wife own the property. That portion of the lease attached to the application involving the 20.2 acre tract (Lot No. 3) contains the three prospects covered in this application. The location of the various prospects in the 20.2 acre area is shown on the attached scale drawing of the tract. The area is adequate for the proposed program.

There are no surface facilities on the property and none is needed for the proposed work. The three prospects are numbered on the attached map and the following numbered descriptions refer to the map locations.

Prospect No. I

At this place a pegmatite 1 - 3 feet thick has been exposed by a cut 20-feet long, 10 feet wide and 10 feet deep. The pegmatite is cross-cutting, strikes east-west, and dips steeply to the north. The country rock is sillimanite-mica schist which strikes N. 20° E, dipping 80° NW. The pegmatite is fine-grained, kaolinized, and only small size mica is exposed. The mica is of excellent quality, but appears to be too small to justify exploration.

Prospect No. 2

A pit 5 feet deep has been dug on a weathered pegmatite which is at least four feet thick. Exposures are very poor and the character of the pegmatite and enclosing rock cannot be determined. There is considerable quartz float present and fragments of mica books in the dump ~~that~~ are up to six inches in diameter. Mica is scattered in the soil over a considerable area. The mica is ruby colored and of excellent quality. Exploration appears justified at this prospect in two stages.

Prospect No. 3

This prospect is in a wooded area. Past work has consisted of sinking a pit probably not more than 15 feet deep and at least one drift to the southwest. No pegmatite or wall rock is exposed and all dump material is thoroughly weathered. Mica fragments up to five inches in diameter are present in the dump. The mica is ruby colored and of excellent quality. This prospect appears to justify exploration - in two stages.

The following program of exploration with estimated cost is recommended:

Prospect No. I ..... No work.

Prospect No. 2.

Cut a bulldozer trench 50 feet long, 25 feet wide to a depth of six feet to expose the pegmatite. If this trenching shows suitable pegmatite, a 35-foot shaft should be sunk on the pegmatite and 40 feet of drifts driven from the shaft.

Stage 1 -		
15 hrs. bulldozing @ $10.00/hr.	$ 150.00	
Stage 2 -		
35-foot shaft @ $40.00/ft.	1400.00	
40 feet drift @ $30.00/ft.	1200.00	
Estimated Cost,		$2,750.00

Prospect No. 3.

Cut bulldozer trench 50 feet long, 30 feet wide to a depth of six feet to expose the pegmatite. If results from the trenching justify, sink a 35-foot shaft on the pegmatite and drive 40 feet of drifts.

Stage 1		
20 hrs. bulldozing @ $10.00/hr	$200.00	
Stage 2		
35-foot shaft @ $40.00/ft.	1400.00	
40 feet of drift @ $30.00/ft,	1200	
Estimated Cost		$2,800.00

Estimated Total Cost $5,550.00

Estimated time required - 6 months

June 9, 1953

Kefton H. Teague, USGS

L. E. Shirley, USBM.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3022, BLALOCK PROSPECTS (Mica).
Cleveland County, N. C.

By

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

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

June 9, 1953

Reviewed by
DMEA OPERATING COMMITTEE
6-17-53
(date)

Field Examination Report

on

DMEA-3022, BLALOCK PROSPECT (mica).

Applicant: Hoyle B Blalock, H. W. Hamrick, and Wade Hamrick
Boiling Springs, N. C. and S. L. Phillips, Spruce Pine, N. C.
c/o Hoyle Blalock, Boiling Springs, N.C.

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Estimated Cost,		$2,750.00

Prospect No. 3.

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20 hrs. bulldozing @ $10.oo/hr	$200.00	
Stage 2		
35-foot shaft @ $40.00/ft.	1400.00	
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Estimated Cost		$2,800.00

Estimated Total Cost $5,550.00

Estimated time required - 6 months

June 9, 1953

Kefton H. Teague, USGS

L. E. Shirley, USBM.

km

MAY 21 1953

Mr. Hayle Inlock
Boiling Springs,
North Carolina

Re: Project No. [illegible] - Kiss
Kinlaw Project
Cleveland County, North Carolina

Dear Mr. Kinlaw:

Your application for assistance in exploring the subject prospect has been reviewed by the Nashville Kingsville Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. [illegible], Executive Officer, [illegible], Region VII, [illegible], Nashville 2, Tennessee, for a field operation, should one seem it necessary.

The [illegible] will contact you at an early date, if an examination is to be made. We assume you may give the members of the field team during the examination will be accommodated.

Sincerely yours,

C. O. Mittendorf

Administrator

Nashville 5/19/53

Copy to: Mr. [illegible]
Project File
Field Team, Region VII
Supervisor Committee
Mr. Dietrich, [illegible]
Mr. Torrebee, [illegible]
Mr. [illegible]

MAY 21 1953

Mr. Robert A. Lawrence
Executive Officer, [illegible]
Field Team, Region III
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. [illegible]-3012 - Mica
Blalock Project
Cleveland County, North Carolina

Dear Mr. Lawrence:

Please review the subject application and if required, arrange for an on-site inspection of the line.

Enclosed are copies of comments on this case by the Geological Survey and the Bureau of Mines.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 4

JHRobertson:ffs 5/19/53

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 15 1953

May 14, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

Subject: DMEA-3022, Mica, Blalock Prospect
Cleveland County, North Carolina

No data are available in this office on subject property. Applicant has indicated that mica has been tested at the Spruce Pine Mica Depot to be of strategic grade. 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

[illegible]
[illegible]
[illegible]
[illegible]

IN REPLY REFER TO:
G-MD-CNM

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

May 7, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 8 1953

Memorandum

REVIEW OF APPLICATION DMEA-3022 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicants: Hoyle Blalock, H. W. Hamrick, Wade Hamrick; Boiling Springs, North Carolina.
Name of property: Blalock Prospect.
Location of property: 1 mile from Boiling Springs.
Estimated cost of project: $5,600.
Summary of applicant's proposal:
Bulldoze 3 trenches 125'.
Shaft 5'x7'x40'.
Test pitting 60'.
Sources of information on applicant's property:
None.
Comments:
From the applicants' sketch map and proposals, it would appear that they propose to work 3 or 4 pegmatites. It appears to me that consideration might be limited to one at a time, perhaps prospect #1.
Aside from Phillips (who supposedly will not be the operator), these men are a bit short on mining experience, if that matters.
RECOMMENDATION:
Field team examination and careful study of applicants' proposal.

D. M. Larrabee

Larrabee:jeh
5/7/53
cc: Director's reading file 4212
Branch "
DMEA (3)
files G-232

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
RECEIVED
MAY 5 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-3022
Metal or Mineral
Date Received 5/5/53
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: Hoyle Blalock, Henry W. Harrick, Wade Harrick all of Boiling Springs, N. C. and Sam L. Phillips, Spruce Pine, N. C.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract This is lease property (Lease is attached in 3 (d) below.)

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

(*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 Not owner

(*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 proj*[redacted]—(*a*) [redacted]e the mineral or minerals for whic[redacted]u wi[redacted] explore .....

.....

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

(*c*) The work will start within ..... 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)?

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated ....., 195...

.....
(Applicant)

By.....

.....

.....

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

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

MF 103

1. (a) Hoyle Blalock, Henry W. Hamrick, Wade Hamrick all of Boiling Springs, N. C. and Sam L. Phillips, Spruce Pine, N. C.

(b) Partnership

2. No answer

3. (a) This is lease property (Lease is attached in 3 (d) below).

(b) Blalock Prospect.

(c) Lessee

(d) Lease is attached as Exhibit A.

(e) Not owner

(f) Land is held by Landlord. No land patents involved.

4. (a) Physical works set forth on map attached as Exhibit B.

(b) Prospect No. I, has been opened to a depth of 8 ft. and there was approximately 500 lbs. of mica removed, most of this mica was surface stained and weather beaten. The formation seems to be getting hard with quartz setting up. There was however, about 15 lbs. of high grade ruby muscovite mica worked out of that 500 lbs. of mica. This mica has been tested at the Mica Depot and is acceptable for stockpile grade.

Prospect No. 3, was mined to a depth of 20 ft. approximately 40 years ago. This prospect was abandoned because of water.

Prospect No. 4, was a little small tunnel of approximately 30 ft. long. This prospect also had water diffculties.

(c) All these prospects can be worked without any difficulty with modern pumping facilities. The water level is about 17 ft. down . See attached map.

(d) This property is readily accessible in that a good road leads within a few yards of the mine. The prospect is located within one mile of Boiling Springs.

(e) There is ample experience manpower available. Electricty is within 200 yards of the mine. No difficulty is contemplated in obtaining equipment and supplies.

5. (a) It is anticipated that the pegmatite contains additional quantities of ruby mica of stockpile grade.

(b) At Prospect No. I, it is proposed to bulldoze a trench 125 ft. long, 15 ft. wide, 10 ft. deep, in an effort to locate the most promising part of the vein which lays near top of ground.

Then it is proposed to sink a 5 x 7 shaft 40 ft. deep in the pegmatite and then it is proposed to drift a total distance of 50 ft. in the most likely place to find the mica.

Prospect No. 2, it is proposed to bulldoze a trench 150 ft. long, 15 ft. wide, 10 ft. deep at the out crop to try to uncover the mica bearing vein.

Prospect No. 3, bulldozing cut 125 ft. long, 15 ft. wide, 10 ft. deep. Then it is proposed to sink a test pit 30 ft. in the pegmatite.

Prospect No. 4, it is proposed to test pit 30 ft. to determine the mineralization of that deposit.

(c) The work will be started as soon as the contract is approved by the Government and the work should be concluded within 6 months.

(d) Attached as Exhibit C.

6. Estimate Cost

(a) Independent Contracts-None.

(b through h)	(1)	Three bulldoze trenches 125 ft. long 150 hrs. at 10.00 hr.	$2500.00
	(2)	Prospect No. I 5 x 7 shaft 40 ft. deep $50.00 ft.	2000.00
	(3)	60 ft. test pitting at Prospect No. 3 and 4 $35.00 ft.	2100.00
			$5600.00

7. (a) Applicant will pay in money the 10% required by regulation.

Henry W. Hamrick

Mr. Hamrick was borned in Cleveland Counhy 35 years ago. He has a high school education. Mr. Hamrick has been a farmer near Boiling Springs, Cleveland County, N. C. , and for a while he worked for the North Carolina Ship Building Co. One of his latest adventures is the theater business which he owns and operates in the town of Boiling Springs. Mr. Hamrick has a fine reputation in his community in his business dealings and private life.

For reference write:

H. C. Haymes
Pres. Cliffside Bank
Cliffside, N. C.

A. I. Jolly
Boiling Springs, N. C.

Phill Elliott
Pres. Gardner Webbb College
Boiling Springs, N. C.

Wade Hamrick

Mr. Wade Hamrick was borned in Boiling Springs, Cleveland County, North Carolina, and lived there all his life. Mr. Hamrick is 28 years old and has a high school education. He has been in the farming business most of his life and is now engaged in the dairy business in conjunction with his farming. Mr. Hamrick's ancestors have lived in Cleveland County for over 125 years and they are a prosperous group of people in financial stable and maintain a fine reputation in their community.

For reference write:

Mr. Phill Elliott
President, Gardner Webb College
Boiling Springs, N. C.

Mr. A. I. Jolly
Boiling Springs, N. C.

G. T. McSwain
11 Merchant St.
Boiling Springs, N. C.

Hoyle Blalock

Mr. Blalock was borned in Cherokee, North Carolina, 33 years ago. When he was 14 years old he moved to Boiling Springs, Cleveland County, North Carolina. Mr. Blalock's education consists of a high school education.

Mr. Blalock's chief occupation has been farming most all his life. He has 450 acres of good cotton producing land and grazing land. For the last 3 years he has been in the dairy business and has 40 heads of Jersey milk cows.

Mr. Blalock is noted for his honesty and truefulness in and around Boiling Springs and Shelby, North Carolina, and Cleveland County where he has lived most of his life.

For reference write:

Mr. Jessie Bridges
Pres. Union Trust Co.
Shelby, N. C.

Mr. C. E. Hamrick, Merchant
Boiling Springs, N. C.

Dr. Win Washburn
Boiling Springs, N. C.

MINING LEASE

State of North Carolina, Cleveland, County:

This indenture made this 21st day of April, 1953, between Hoyle Blalock and Sarah Hamrick Blalock, of Cleveland County and State of North Carolina, as parties of the first part, and known as lessors, and Hoyle Blalock, Nellie Hamrick, Wade Hamrick, Sam Phillips, trading and doing business as the Blalock and Hamrick Mining Company, of Cleveland County and State of North Carolina, party of the second part and known as lessee,

WITNESSETH:

That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargain, lease and grant to the party of the second part, and its heirs and assigns, for the period of three (3) years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written, to wit:

Lot No. 1:

Beginning at a stone, old corner in the old line between the Hamrick property and Howard Tessener, and runs thence, with the old line, South, 12 degrees and 50 minutes West, 234 feet to a stake in the north edge of the public road. Thence, with the North edge of the road, North, 88 degrees and 30 minutes East, 186.1 feet to a stake, thence, leaving the road, North, 12 degrees and 50 minutes East, 234 feet to a stake in the field. Thence, South, 88 degrees and 30 minutes West, 186.1 feet to the Begining.

Containing One (1) Acre, more or less.

Lot No. 2:

Beginning at a stake in the old line, said stake being South, 17 degrees and 00 minutes East, 536 feet from the old stone corner in the center of the public road, Howard Tessener's corner, and runsthence, with the old line, South, 17 degrees and 00 minutes East, 207.4 feet to a stake. Thence, North, 73 degrees and 00 minutes East, 210 feet to a stake. Thence, North, 17 degrees and 00 minutes West, 207.4 feet to a stake. Thence, South, 73 degrees and 00 minutes West, 210 feet to the Beginning.

Containing One (1) Acre, More or less.

Lot No. 3:

Beginning at a Hickory, old corner, and runs thence, with the old line, North, 55 degrees and 30 minutes East, 1286 feet to a stake in the old line. Thence, a new line, North, 32 degrees and 00 minutes West, 300 feet to a stake in the pasture. Thence, another new line, North, 69 degrees and 30 minutes West, 560 feet to a stake in the old East line, Thence, with the old line, South 61 degrees and 30 minutes West, 772 feet to a stone, old corner. Thence, with the old line, South, 21 degrees and 30 minutes East, 875 feet to the Beginning.

Containing Twenty and Two Tenths (20.2) Acres, more or less.

TO HAVE AND TO HOLD the said lands to it, for mining purposes, the said leessee and its heirs and assigns for the aforesaid period of three years in compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search, explorefor, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on the said lands for mining purposes, and that it shall have the right to erect such buiddings as it needs to carry on such mining operations during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of- way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED that the party of the second part, the lessee, hereby agrees to pay to the said parties of the first part, or their heirs or assigns, a rental royalty of five percent (5%) on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of three years. The said amounts shall be payable on the computation of selling bills on the tenth (10th) day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED that the lessee, the party of the second part, its heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional three (3) years from the date of its present termination. The option shall be exercised by giving formal written notice to the parties of the first part or by the continuation of any mining operations then being conducted. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that it may sublease.

BUT IT IS EXPRESSLY AGREED that unless mineral or fossil material of practical value for mining purposes shall be fould within a period of two (2) years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessors. The lessee agrees that during the period of this lease or the continuance of this lease that work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

AND IT IS EXPRESSLY AGREED and understood that all of the option periods and other time requirements set out in this mining lease are subject to the limitations involved

[illegible] to hold the said lands to it, for mining purposes, [illegible] said lessee and the heirs and assigns for the aforesaid period of three years to commence with the conditions of this indenture, for the purpose and with the right to dig, quarry, search, exploreator, obtain, and remove any kind of minerals, metals or metals, and [illegible] fairly made, and to conduct the same to any convenient place or place of [illegible] said, the lessee, may choose. And it is hereby agreed between the parties to this [illegible] and that the party of the second part is to have the use of any [illegible] [illegible] for the said land, for mining purposes, and that it shall have the right to cause [illegible] and buildings as it needs to erect on such lands, construct during the period of its lease, and that the party of the second part shall have the [illegible] to the [illegible] reserved, unavoidable conditions excepted. And it is also agreed by the [illegible] [illegible] that no [illegible] damage is to be done to the lands herein leased during the period [illegible] the [illegible] conditions [illegible] lease, but the said party of the second part shall have right to take from said lands leased to the [illegible] of the said [illegible] any wood or timber the party of the second part may need to carry on said mining [illegible] or which may be needed in carry on the exploring or [illegible] or [illegible] or dwellings on said lands. (Timber of high or special market value is [illegible] and shall not be used by the lessee, and it is further agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said [illegible] or land over which jurisdiction is being exercised.

[illegible] in a [illegible] shall the party of the second part, the lessee, have [illegible] to run to the and railroad of the first part, or their heirs or assigns, [illegible] roadway of five rangers (5) on the minerals taken and said iron [illegible] [illegible] shall be, or who use or be [illegible] for [illegible] period of three years. The said [illegible] shall be granted on the [illegible] of [illegible] on the lands (illegible) [illegible] or any month [illegible] be made during the [illegible] and. Any minerals in other [illegible] and from above [illegible] may be taken and sold shall be paid forward at the usual royalty rate of the mines in force.

[illegible] in [illegible] that the lessee, the party of the second part, the being [illegible], shall have the option to renew the lease and to extend the period of the [illegible] for [illegible] years from the date of the expiry the lease [illegible] [illegible] to enclosed by giving formal notice to the [illegible] of the lease [illegible] by the continuation of our [illegible] [illegible] unchanged. The lessee reserves the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, or transfer thereof. And it is agreed that the lessee may retain this [illegible] lands or any part thereof and that it may surrender.

[illegible] in [illegible] that water rights [illegible] [illegible] be for [illegible] purposes shall be built within a period of [illegible] years from date of this indenture, the lease may be terminated by the lessee by giving thirty (30) days notice to the lessor. The lessee agrees that during the period of this lease or its continuance or this lease that it will [illegible] or exploration [illegible] [illegible] the term lease shall not [illegible] [illegible] [illegible]

in the fact that Sarah Hamrick Blalock holds no more than a life interest in Lots 1 and 2 described above, and that Hoyle Blalock ~~said~~ and Sarah Hamrick Blalock hold no more than a life interest in Lot 3 described above.

WITNESS our hands and seals the day and year first above written.

SS/ Hoyle Blalock (Seal)

SS/ Sarah Hamrick Blalock (Seal)

Witness:

SS/ Margaret G. Bankston

NORTH CAROLINA

CLEVELAND COUNTY

The execution of the foregoing instrument was this day acknowledged before me by Hoyle Blalock and Sarah Hamrick Blalock, the grantors, for the purpose therein expressed. Let the same, with this certificate, be registered.

SS/ Margaret G. Bankston
Notary Public

My Commission expries: 12-8-54

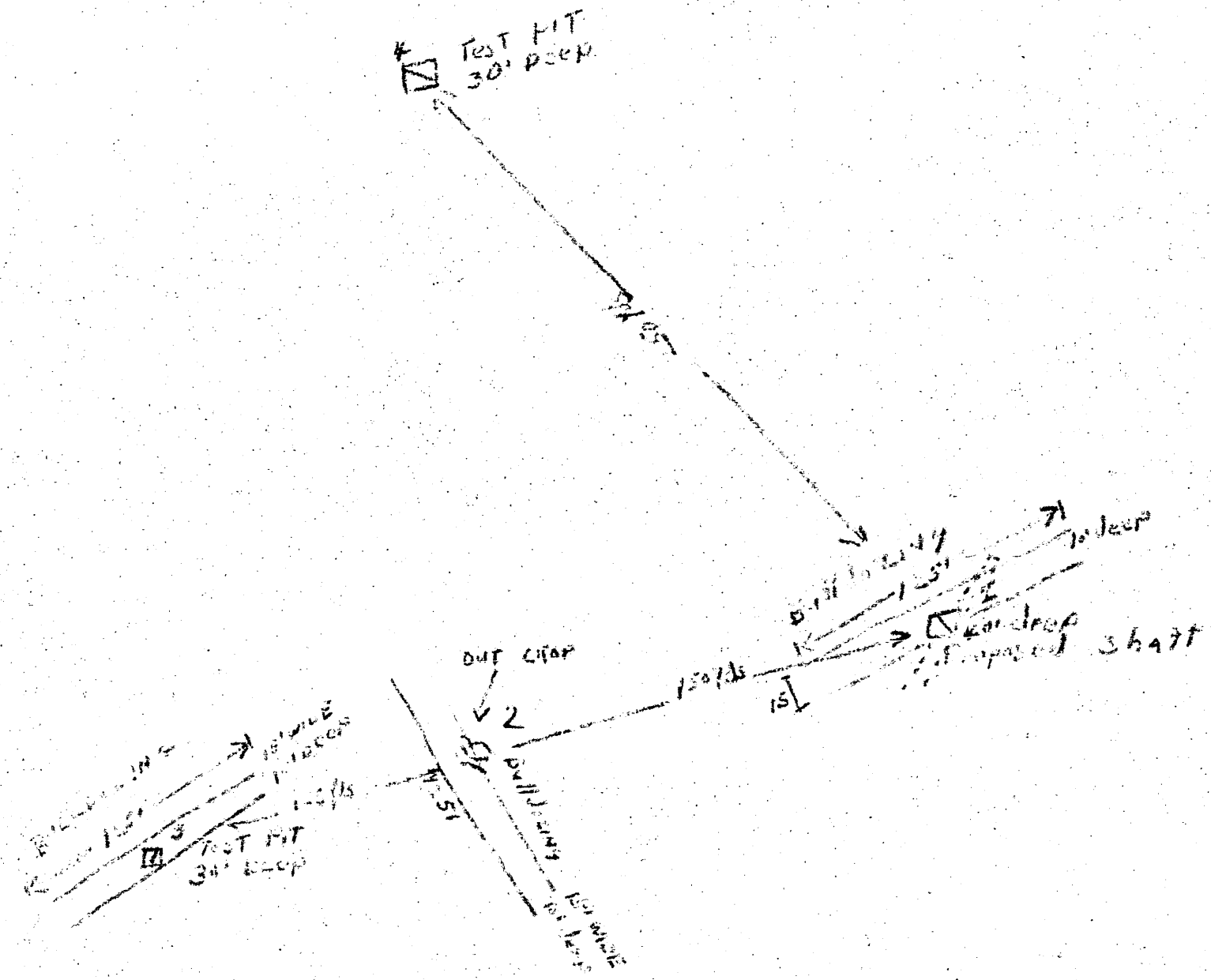
NORTH CAROLINA

CLEVELAND COUNTY

The foregoing certificate of Margaret G. Bankston, of Cleveland County is adjudged to be correct and sufficient. Let the instrument be registered.

Witness my hand and official seal, this 21st day of April, 1953.

SS/
Clerk of Superior Court



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