DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3125

DO NOT DETACH THIS SLIP

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

This document has been recorded as

Exploration Assistance

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

1cy to USBM & USGS ~~1 Docket~~ - 1 cy retained in Reg.

Routing Slip

To:	Code 600 Rm.4637	Date	7/22/53
To:	Robertson	Date	7/28/53
To:	Open Com	Date	8-12-53
To:	Code 600	Date	8-13-53
To:	Open Com	Date	9-25-53
To:	Code 600	Date	9-28-53
To:	Open Com	Date	8-20-54
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

Robin 6/17/54

EXPLORATION PROJECT CONTRACT

HYATT & PRESNELL
DOCKET NO. DM-A-3125 (mica)

AMENDMENT NO. 2

Contract IDM-E 614, Docket No. DM A-3125, dated 28th day of September 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Fred Hyatt and Lonnie Presnell, partners, d/b/a as Hyatt & Presnell, Pensacola, North Carolina, hereinafter called "Operator" is amended as follows:

1. Article 3 of the contract is amended to read,".....; and shall bring the project to completion within a period of twelve (12) months from date of contract...." instead of eight (8) months as originally written.

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

May 24, 1954.

HYATT AND PRESNELL

By Fred Hyatt
Fred Hyatt.

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
EXECUTIVE OFFICER
DMEA REGION VII

Docket Copy

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, I&M-M14, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the Contract to Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from Fred Hyatt, does hereby assign, transfer, and convey to Fred Hyatt all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, Fred Hyatt; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this 3rd day of April, 1954.

Lonnie Presnell

Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, Fred Hyatt, thi 26th day of March, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

Fred Hyatt

Fred Hyatt

GOVERNMENT'S CONSENT

The Government, this _____ day of _____, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any of the terms, provisions, or conditions of the Contract, or any amendment thereof.

THE UNITED STATES OF AMERICA

By C. Mitkendorf
Administrator, Defense
Minerals Exploration
Administration

Robert
Hoffman
Zhuch
Chandler

Docket Copy

EXPLORATION PROJECT CONTRACT
FRED HYATT AND LONNIE PRESNELL, PARTNERS
Docket No. DMEA-3125

Rubin 12/23/53

AMENDMENT NO. 1

It is agreed this 24th day of November 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Fred Hyatt and Lonnie Presnell, partners, doing business as Hyatt and Presnell, each acting in consideration of the other to the terms hereinafter set forth, that Exploration Project Contract Idm-Mdk Docket No. DMEA-3125, dated September 28, 1953, be modified and amended as of the date of the contract as follows:

In Exhibit "A"

(a) Under "Description of the Work", change the first paragraph to read as follows:

"As approximately indicated on the attached map, entitled "Sketch of Banks Mine, Yancey County, N. C. DMEA-3125 (mica) an open cut or 5-foot by 7-foot vertical 2-compartment shaft is to be sunk to a depth of 50 feet, and from about the 50-foot level, a maximum of 120 feet of 5-foot laterals (drifts and/or crosscuts) are to be driven to explore the pegmatite beneath the present surface cuts."

(b) Under "Agreed Unit Costs," change the first line to read as follows:

" 50 feet depth of open cut or shaft @ $50/ft.....$2,500.00."

Dated: November 24, 1953.

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

HYATT & PRESNELL

By Fred Hyatt
Fred Hyatt, Partner

By Lonnie Presnell
Lonnie Presnell, Partner

THE UNITED STATES OF AMERICA

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

mm

MF-200 (A)
(February 1952)

DOCKET NO. DMEA- 3125

COMMODITY Mica

Docket Copy

IDM-E 614

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 28th day of September, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Fred Hyatt and Lonnie Presnell, Partners, doing business as Hyatt and Presnell Pensacola, North Carolina

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 Yancey, described as ~~follows~~ set forth in Annex I,

the Operator represents and undertakes:[4]

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

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

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

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 eight (8) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $6,543.00, which is 90 percent of $7,270.00, 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 II, 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.

HYATT AND PRESNELL

By Fred Hyatt (Partner)

By Lonnie Presnell (Partner)

THE UNITED STATES OF AMERICA

By Frank E. Johnson

ACTING Administrator, Defense Minerals Exploration Administration

Approved
Anthony
Hoch
Chandler

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
FRED HYATT and LONNIE PRESNELL, PARTNERS
DOCKET NO. DMEA-3125

ANNEX I

The property referred to in Article 2 consists of a tract of land known as the Banks mine. The Operator acquired the right to mine mica in this land under a lease dated the 17th day of June 1953, between Donald Banks and wife, Pauline M. Banks, J. R. Banks and wife, Gladys Banks, and W. K. Banks and wife, Julia Banks, of Yancey County, North Carolina, as owners, and the Operator, as lessee. The lease is recorded in the office of the Register of Deeds, Yancey County, North Carolina, in Book 111, page 306.

A metes-and-bounds description, as set forth in the mining lease, is as follows:

> BEGINNING on an apple tree at the mouth of Little Laurel Branch running North 10 degrees East 100 feet to a turn in the road; then North 10 degrees West 300 feet to another turn in road; then North 30 degrees West 200 feet to a small buckeye; then North 3 degrees East 200 feet to a bend in Little Elk Branch; then North 35 degrees West 100 feet to a 12-inch white birch; then North 70 degrees West 213 feet to an 8-inch butternut; then North 85 degrees West 100 feet to a large chestnut stump; then South 80 degrees West 135 feet to a sloping rock; then South 40 degrees West 100 feet to a stake; then South 45 degrees West 200 feet to a 14-inch black birch; then due North 100 feet to a stake; then South 17 degrees East 152 feet to a stake; then South 6 degrees West 100 feet to a stake; then South 35 degrees West 200 feet to a stake; then South 10 degrees East 87 feet to a 10-inch sugar maple; then down old road 700 feet on West side of Big Laurel Creek to a large stone; then South 40 degrees West 315 feet to the BEGINNING.

EXPLORATION PROJECT CONTRACT
FRED HYATT and LONNIE PRESNELL, PARTNERS
DOCKET No. DMEA-3125

ANNEX II

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

If 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 a sufficient, complete, final report and final account referred to in the contract has been rendered, 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 described in Article 2, 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 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 (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

EXPLORATION PROJECT CONTRACT
FRED HYATT and LONNIE FRESNELL, PARTNERS
DOCKET NO. DMEA-3125

EXHIBIT "A"

Description of the Work

As approximately indicated on the attached map, entitled "Sketch of Banks Mine, Yancey Co., N. C., DMEA-3125 (mica)," a 5-foot by 7-foot vertical 2-compartment shaft is to be sunk to a depth of 50 feet, and from about the 50-foot level, a maximum of 120 feet of 5-foot by 7-foot laterals (drifts and/or crosscuts) are to be driven to explore the pegmatite beneath the present surface cuts.

To facilitate the operation, there shall be constructed—

(1) an access road not in excess of 350 yards in length,

(2) a 10-foot by 12-foot frame toolhouse,

(3) an exploder magazine,

(4) a powder magazine.

The location, direction, and extent of all work shall be subject to the approval of the Government.

Agreed Unit Costs

50 feet of shaft @ $50.00/ft.	$2,500.00	
120 feet of drifts and/or crosscuts @ $35.00/ft.	4,200.00	
350 linear yards of access road @ $1.00/yd.	350.00	
1 Toolhouse 1/	150.00	
1 Exploder magazine 1/	20.00	
1 Powder magazine 1/	50.00	
Total Agreed Unit Cost		$7,270.00
Government Participation at 90%		$6,543.00

1/ The unit is the complete structure.

MF-203
(Revised July 1, 1953)

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 Yancey, described ~~as follows:~~ 1/

~~in a Mining Lease dated 17 June 1953 by and Between DONALD BANKS and others, Owners, and FRED HYATT and LONNIE PRESNELL, Lessees, which Mining Lease is recorded in Yancey County Deed Book 111, page 306.~~

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/ Fred Hyadt and Lonnie Presnell

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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. Changes and added provisions: ~~The undersigned Owners hereby grant to Fred Hyatt and Lonnie Presnell, their heirs and assigns, the right to use existing roads and ways and construct other roads or ways leading from the public highway across the lands of the Owners to the lands described in the above mentioned lease.~~

Dated this _____ day of October, 1953.

W B Banks [Seal] Gladys Banks (SEAL)
Julia Banks [Seal] Donald Banks (SEAL)
J.R. Banks [Seal] Pauline Banks (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 17 June 1953, and recorded in book 111 page 306 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.

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--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, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent 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) 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

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

Project Summary Report

By: James Hopkins August 5, 1955

1. Docket No. DMEA-3125 - Mica
Contract No. Idm-E614
Banks Mine
Yancey County, North Carolina

Operator: Fred Hyatt
(formerly) Fred Hyatt and Lonnie Presnell
d/b/a Hyatt and Presnell
Pensacola, North Carolina

Operator's property rights: Lessee of Banks Mine consisting of about 30 acres. Lease dated June 17, 1953. Owner's Consent to Lien dated October - 1953.

2. Contract dated September 28, 1953.
Work authorized:

(1) 50 feet of shaft @ $50.00/ft.	$2,500.00
(2) 120 feet of drifts and/or crosscuts @ $35.00/ft.	4,200.00
(3) 350 yards of access road @ $1.00/yd.	350.00
(4) 1 Toolhouse	150.00
(5) Exploder magazine	20.00
(6) Powder magazine	50.00
Total Agreed Unit Cost	$7,270.00
Government Participation @ 90%	$6,543.00

Amendments:

No. 1, dated November 24, 1953, to allow 50 feet of open cut as optional to 50 feet of shaft at no increase in cost.

No. 2, dated May 24, 1954, extends the completion period from 8 months to 12 months.

Assignments:

Assignment, dated April 3, 1954, Lonnie Presnell transfers his interest in the contract to Fred Hyatt.

Work completed:

50 feet of opencut & shaft @ $50/ft.	$2,500.00
114 feet of drifts @ $35.00/ft.	3,990.00
Access Road 350 yds. @ $1.00/yd.	350.00
1 Toolhouse	150.00
1 Exploder magazine	20.00
1 Powder magazine	50.00
Total cost of the project	$7,060.00
Government participation @ 90%	$6,354.00

Work began on December 1, 1953, and was completed July 30, 1954.

About 2000# of mine-run mica was recovered during the project but most was of poor quality. Final Field Team Report: Received August 16, 1954. Operator's Final Report: Received August 27, 1954.

3. Audit: Report of Review, dated September 2, 1954.

Total Accepted Cost	$7,060.00
Government participation	$6,354.00

4. Certification: None issued.

5. Comments:

The work was carried out as authorized.
The operation was good.

Geological Premise: The premise that the pegmatite showing strategic mica on a surface exposure would yield greater quantities in depth was not confirmed by the exploration work as only mica of an inferior grade was found.

Geological criteria upon which work was based:

1. A forked pegmatite - one fork having a thickness of 6 ft. to 10 ft., and dipping almost vertically; the other arm dips about 50° W., and is about 4 ft. thick and unzoned.
2. The pegmatite is in mica-kyanite gneiss.

Criteria developed during project:

1. A conformable pegmatite 15 ft. thick at shaft and thins along its strike to 1-1½ ft. thick and tends to branch and "finger out".
2. The mica shows a definite decrease in quality and quantity with thinning of the body along the strike.
3. Reserves of mica are negligible.

Future possibilities: None. No additional work is warranted.

Recommendations: The Nonmetallic Minerals Division agrees with the field team that a certification of discovery should not be issued. The Commodity Specialists of the Geological Survey and the Bureau of Mines also concur.

James Hopkins
Nonmetallic Minerals Division

FILE COPY
Surname:

Hopkins
Houk
Chambers
Johnson

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

600

MAR 2 5 1955

Mr. Fred Hyatt

Pensacola, North Carolina

Re: Docket No. DMEA-3125 - Mica
Fred Hyatt
Banks Mine
Yancey County, North Carolina
Contract No. Idm-E614

Dear Mr. Hyatt:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the Contract which require the Operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

SIGNED
Administrator

JHopkins:ad 3/23/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Donald Banks and wife, Pauline M. Banks, (attached to Field Team copies for forwarding)
Mr. J. R. Banks and wife, Gladys Banks, (attached to Field Team copies for forwarding)
Mr. W. K. Banks and wife, Julia Banks, (attached to Field Team copies for forwarding)

R.C.h.

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

September 7, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting for Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3125 (mica)

Applicant: Fred Hyatt

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

Contract Number: IdmE614

Date of Field Team Final Report: August 17, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: August 23, 1954

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. Work which began December 1, 1953 and was completed July 30, 1954 consisted of bulldozing, sinking a 32-foot shaft, and drifting 114 feet.

2. Expenditures -

Total approved	$7,270
Total cost	7,060
Gov't. share	6,354
Value	?

3. No strategic mica was encountered.

Recommendation

I concur in the field team's recommendation to deny certification.

Donald R. Irving

Donald R. Irving

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 8 WASHINGTON POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 25, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Operator's Final Report, DMEA-3125, Idm-E 614 (mica)
Banks Mine, Yancey County, N. C. Fred Hyatt, Opr.

Enclosed are original and three copies of the subject report. The Field Team Final report was sent the Washington office Aug. 17, 1954. The Operator's final monthly report and voucher is being sent to the finance office today for payment.

Robert A. Laurence

Robert A. Laurence

DMEA 3125

OPERATORS PROGRESS REPORT
FOR THE
ENTIRE PROJECT

Work Accomplished

December 1953: Access road completed, also 18.5 ft. of open cut contracted to Westall & Young of Spruce Pine, N.C.

January 1954: 8.5 feet of shaft completed.

February 1954: There was no progress.

March 1954: Twelve (12) feet of shaft, also tool house was built.

April 1954: Eleven (11) feet of shaft, shaft completed, also 17 feet of drift.

May 1954: Thirty-five (35) feet of drifts, exploder magazine, also powder magazine built.

June 1954: Forty (40) feet of drifting completed.

July 1954: Twenty-two (22) feet of drifting completed.

Results:

About 950 pounds of small mine-run locky mica was recovered. Estimated value when sheeted: $67.00 250 lbs. of punch. 700 pounds of scrap which has not been sold.

Project completed July 29, 1954, stopped by Field Team.

[illegible]

[illegible]

[illegible]

Work Accomplished

December 1953: [illegible] completed, also [illegible] of [illegible] completed [illegible] Town of [illegible]

January 1954: [illegible] feet of shaft completed.

February 1954: There was no progress.

March 1954: Twelve (12) feet of shaft, also tool house was built.

April 1954: Eleven (11) feet of shaft, shaft completed, also 17 feet of drift.

May 1954: Thirty-five (35) feet of drifts, [illegible] magazine, also powder magazine built.

June 1954: Forty (40) feet of drifting completed.

July 1954: Twelve (12) feet of drifting completed.

Results:

[illegible] of small [illegible] were completed. [illegible] [illegible] [illegible] of [illegible] has not [illegible].

[illegible] July [illegible], 1954, [illegible] by field [illegible].

[illegible]
[illegible]
[illegible]

[illegible]ork accomplished

December 1953:	[illegible]ness [illegible]d completed, also 1[illegible] ft. of open cut completed to install [illegible] Young of Spruce Pine, [illegible].
January 1954:	[illegible] feet of shaft completed.
February 1954:	There was no progress.
March 1954:	[illegible]welve (12) feet of shaft, also tool house was built.
April 1954:	Eleven (11) feet of shaft, shaft completed, also 17 feet of drift.
May 1954:	Thirty-five (35) feet of drifts, exploder magazine, also powder magazine built.
June 1954:	[illegible]orty (40) feet of drifting completed.
July 1954:	Twenty-two (22) feet of drifting completed.

Results:

[illegible]ent [illegible] pounds of small mine-run lucky mica was recovered. Estimated value when sorted: [illegible]7.00 250 lbs. of punch. 700 pounds of scrap mica has not been sold.

Project completed July 29, 1954, stopped by field Team.

IN REPLY REFER TO:

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

August 23, 1954

Memorandum

REVIEW OF FINAL FIELD TEAM REPORT ON APPLICATION DMEA-3125 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant: Fred Hyatt
Name of property: Banks Mine
Location of property: 15 mi. SW of Burnsville, Yancey Co., N. C.
Date of Field Team Report: August 17, 1954
Authorship of Field Team Report: K. H. Teague, D. H. Amos, and L. E. Shirley
Field Team's recommendation: No certification of discovery.
Comments: I concur with Field Team recommendation.

E. L. Newcomb

E. L. Newcomb

Docket Copy
Surname:
Anderson
Houk
Porter
Martin
Johnson
Mitchell

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

INTERIOR DEPT.
AUG 16 1954
SOLICITOR

AUG 23 1954

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

Subject: Docket No. DMEA-3125 - Mica
Fred Hyatt and Lonnie Presnell
Banks Mine
Yancey County, North Carolina
Contract No. Idm-B614

Dear Mr. Laurence:

Reference is made to Field Team Interim Report of July 30, 1954, recommending that no additional work be done under the subject contract.

Please be advised that the contract may be considered completed because substantially all the work has been finished.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (WB)

Approved:

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

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

WCAnderson:gad 8/11/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5227
Mr. Houk

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

August 17, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, Region VII - DMEA

Subject: Final Report, DMEA-3125, Idm-E614(mica) Banks Mine, Yancey Co., N.C.
Fred Hyatt, Pensacola, North Carolina -

Enclosed are four copies of the Field Team final report on the subject exploration contract. We agree with the examiners' conclusions and recommend that certificate of discovery should not be issued.

We have requested, but not received, the Operator's final report. The final voucher is ebing held here pending receipt of the report, after which the final voucher will be forwarded for payment. The approved amount of the final voucher is included in the total on page 2 of the Field Team Report.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
8-23-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM, REGION VII

On

DMEA-3125, BANKS MINE (mica)
Yancey County, N. C.

By

K. H. Teague, and D. H. Amos, Geologists
U. S. Geological Survey
and
Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

August 16, 1954

Reviewed by
DMEA OPERATING COMMITTEE
8-23-54
(date)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
On
DMEA-3125, Idn-E 614 (mica)

BANKS MINE

Operator: Fred Hyatt, Pensacola, North Carolina

The Banks Mine is 15 miles by road and 6.5 airline miles S. 40° W. of Burnsville, Yancey County, N. C., on a ridge spur south of Blankenship Creek, a tributary of Price Creek.

Work completed under the contract consisted of constructing 350 linear yards of access road, an exploder magazine, a powder magazine, and a toolhouse; bulldozing an open cut 18.5 feet deep; sinking a 31.5-foot vertical shaft from the bottom of this cut; and driving 114 feet of laterals from the bottom of this shaft. About2000 pounds of "mine-run" mica were recovered during the project, but it was of poor quality. It is believed by the field examiners that a certification of discovery is not justified on this mine, even though a small amount of royalty will be obtained. No additional exploratory work is warranted.

Work began on December 1, 1953 and was completed July 30, 1954. A toolhouse, powder magazine, exploder magazine, and 350 linear yards of access roads were constructed. An open cut 18.5 feet deep was bulldozed and a 5' x 7' vertical shaft sunk to a depth of 31.5 feet from the bottom of the cut. A total of 114 feet of laterals were driven in pegmatite from the shaft bottom. They consist of (1) a 13.5-foot crosscut, driven in a S. 80° W. direction from the shaft, (2) an 69-foot drift driven in a S. 20° E. direction from this crosscut, and (3) a 31.5 foot drift driven to the northwest from the shaft.

A conformable pegmatite which is 15 feet thick in the vicinity of the shaft, but which thins along the strike away from the shaft is exposed. It strikes N. 20-40° W. ; the dip of the thicker portion near the shaft is 80° SW., whereas away from the shaft in the thinner part it is about 75° N. E. At and near the head of both drifts the pegmatite is 1 - 1 1/2 feet thick and tends to branch and "finger-out." The thick portion of the body contains a quartz core about 4 feet thick. The pegmatite is composed of semi-kaolinized plagioclase, quartz, perthite, muscovite, biotite and garnet, in order of abundance.

The muscovite tends to be concentrated near the wall rock contacts of the body, especially the southwest wall, in the thick portion of the pegmatite. The quantity of mica shows a definite decrease with thinning of the body along the strike. The enclosing wall rock is mica-kyanite gneiss.

About 2000 pounds of "mine-run" mica were recovered during work under the contract, but most was of poor quality. It is small, badly cracked and "tied," curved, intergrown with biotite and mineral-stained.

Reserves of strategic mica revealed by the work are negligible.

Expenditures:

(a)	Total approved	$7,270.00
(b)	Total cost of project	7,060.00
(c)	Government's share of cost	6,354.00
(d)	Government's share unexpended	189.00
(e)	Value of production during operation	?

No equipment was purchased under the contract.

August 16, 1954.

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

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

ACTION ON INTERIM 3125 E-614
OR FINAL FIELD TEAM REPORT

Date 8/5

Referred to:

1. ~~Mr. Macdonald~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Early termination indicated

2.

3.

4.

and take appropriate action.

- - - - -

Action taken by Division:

do not remove

ROBERT E. ADAMS

Initials

INTERIM REPORT
On
DMEA-3125, Idn-E 614, BANKS MINE
(mica)

Operator: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

Location: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 1.5 miles by road and 6.5 airline miles S. 40° W. of Burnsville, Yancey County, N. C.

Lateral work continues on this contract and now totals 114 feet. Recent work consists of advancing the northwest drift an additional 12.5 feet in a N. 40° W. direction.

Only a little mica was recovered in this last work, and it is of very poor quality, being badly bent and cracked and heavily mineral-stained.

The pegmatite thins rapidly to the northwest and becomes finer grained. The amount of mica also tends to decrease in this direction. At the head of the drift the pegmatite is conformable, striking N. 40° W., and dipping 75° NE.

Only 6 feet of lateral work remains on the contract. It is recommended by the field examiners that no additional work be done under this contract because of the poor quality of the mica and the thinning of the pegmatite along the strike in both directions.

Date of Exam: July 30, 1954

K. H. Teague D. H. Amos

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

z

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

Drifting continues on this contract and now totals 86 feet; drifting and crosscutting totals 99.5 feet. Recent work has entailed driving a new drift to the northwest along the east wall and this drift has been advanced 19 feet.

Material encountered in this N 20° W drift is pegmatite, composed of quartz, feldspar, muscovite mica and biotite mica. The quality of the mica recovered is not good; most of it is badly bent and heavily stained. About 500 pounds of "mine-run" block was recovered from this new work. The operator was advised to start turning the drift and gradually intercept the west wall. Remaining drift will be driven in ground northwest of the shaft. Progress on this contract is satisfactory.

Mr. R. A. Laurence, Executive Officer of DMEA, Region VII, accompanied the examiners on this visit to the mine.

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

K. H. Teague + D. H. Amos
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

July 16, 1954

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

Drifting continues on this contract and combined with a short crosscut now totals 80.5 feet. Instructions were given for starting a new crosscut to the northwest immediately.

From the shaft bottom 13.5 feet of crosscut was driven to the west wall and 67 feet of drift was driven to the southeast along this wall. The body has narrowed considerably in the last advance and very little mica is being recovered. The operator was advised to start a new drift to the northwest and explore the pegmatite in proximity to the east wall. More mica production is anticipated from this work.

Several safety recommendations were made during this visit. Progress on this contract is satisfactory.

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

K. H. Teague
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

July 2, 1954

INTERIM REPORT
On
DMEA-3125, Idn-E 614, BANKS MINE
(mica)

Operator: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

Location: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S. 40° W. of Burnsville, Yancey County, N. C.

Lateral work continues on this contract and now totals 60.5 feet. Work since the last interim report consisted of advancing the southeast drift. At the head of this drift the pegmatite is about 3 feet thick and contains scattered books of mica.

Drifting will continue in the same direction until another examination can be made.

Date: June 18, 1954

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

C

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

Drifting continues on this contract and now totals ~~56~~ 52 feet. No change is anticipated in the target and drifting will continue in the same general direction until another examination can be made.

All drifting has been conducted to the southeast. Considerable stained block mica was recovered from the first 30 feet of drift, but the operator indicated that recent work had been very unproductive. It was suggested that in the future the drift should be turned more to the south in order to pull more pegmatite and less country rock. No extreme changes in the material encountered were noted.

The mine foreman reported that while working underground recently he was overcome by "marsh gas" and became unconscious. Mechanical ventilation has been installed. It was suggested that fumes from the exhaust on the air compressor were being brought into the air intake and that a thorough examination and subsequent corrections should be made before doing any additional work. Progress on this contract has been satisfactory.

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

K. H. Teague D. H. Amos
K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

June 4, 1954

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

June 1, 1954

Memorandum

To: Operating Committee

From: Executive Officer, DMEA Field Team, Region VII

Subject: Amendment No. 2, DMEA-3125 (mica), Contract Idm-E 614
Hyatt and Presnell (Banks Mine), Yancey County, N.C.

Transmitted herewith is the original and two copies of the subject amendment. We have retained one copy for our files and have transmitted one copy to the Regional Finance office.

This amendment was necessary because of inclement weather during the winter months and due to the location of the project it was impractical to work at the mine.

Robert A. Laurence

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

Enclosures 3

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

June 8, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 2 - Docket No. DMEA-3125 - Mica
Hyatt and Presnell
Banks Mine
Yancey County, North Carolina
Contract No. Idm-E614

The Nonmetallic Minerals Division concurs in Amendment No. 2 to subject contract as written and executed in the field. The date for completion of the contract has been extended from May 28, 1954 to September 28, 1954. The amendment is justified as it is not possible to operate efficiently during the inclement winter months.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, A tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

Open cut work, shaft sinking and crosscutting has been completed on this project. Drifting is underway and has advanced 25.5 ft. Open cut and shaft work combined totaled 50 feet and the shaft bottomed in both pegmatite and biotite schist. A crosscut was driven in pegmatite to the west wall, which was encountered at 13.5 feet. All drifting to date has been conducted in a S 20° E direction. The pegmatite is 15.5 feet in thickness as shown by the crosscut at the turnoff and has narrowed to about 6 feet as shown in the present heading. About one thousand pounds of block mica has been recovered from drift work, much of which is "locky" or tied and contains stain and intergrowths of biotite. The composition of the pegmatite has not changed appreciably. Recent progress on this contract is satisfactory.

L. E. Shirley

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

D. H. Amos

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

May 21, 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 12, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Assignment of Contract on DMEA-3125, Idm-E614. Hyatt & Presnell

Transmitted herewith are three signed copies of the Assignment of Contract on the subject contract. The customary distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

Shaft sinking continues on this contract and combined with open cut work (8.5 ft.) the total depth is now 45.5 feet. Turnoff will be made, at a depth of 50 feet, to the west and drifting will proceed in this general direction until another examination can be made.

Material encountered consists of both pegmatite and country rock. The pegmatite is composed of massive quartz, feldspar and muscovite mica. The rock is semi-weathered to fresh and is holding up at this depth satisfactorily. Cribbing has been installed recently and extends for 10 feet in the shaft. A barricade has been erected on the uphill side of the shaft to prevent loose material from working down slope. Additional cribbing and installation of a separated partition with ladders and landings will be accomplished as soon as turnoff is made. A tool house has been contructed and magazines are expected to be completed in the near future. Several safety recommendations concerning a temporary ladder while sinking, correct cable clamps and rope thimbles, etc., were made to the contractor. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague - D. H. Amos

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

April 9, 1954

140

FILE COPY
SURNAME:

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

Rubin
Houk
Selfridge
Hedges

MAR 29 1954

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

Re: Docket No. DMEA-3125 - Mica
Fred Hyatt and Lonnie Presnell
Banks Mine
Yancey County, North Carolina
Contract Idm-E614

Dear Mr. Laurence:

In response to the request in memorandum dated March 15 from the Acting Executive Officer, enclosed is an assignment of the interest of Lonnie Presnell under the subject contract to his partner, Fred Hyatt. Lonnie Presnell has already assigned his interest in the leased land, which is the subject of the exploration contract, to Fred Hyatt.

After the assignment has been executed, all payments due under the contract should be made to Fred Hyatt.

The Government's consent to the assignment does not release Lonnie Presnell from any of the provisions of the contract or any amendment thereof.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures

Approved:

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

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

HCRubin:ep 3-22-54

Copy to: Docket
Adm. Reading File
Operating Committee
Mr. W. F. Dietrich, B/M
Mr. D. M. Larrabee, USGS
Mr. Houk
Mr. Hofflund
Mr. Rubin
Chron.
Pending

R.C.B. 3-29-54

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, A tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

Shaft sinking is again underway on this contract after a brief delay. The work has been contracted to a Mr. Pittman of Spruce Pine, N. C. who has his own hoisting and drilling equipment on the property.

The bottom could not be examined because of water, but measurement indicates that the shaft is now from 16 to 18 feet deep. The operator has recovered some mica of fair quality during his brief work, but much of it is cracked and contains a stain. Mr. Pittman expressed the desire to cooperate fully with the Examiners and necessary timber work to provide a safe operation will get under way immediately.

L. E. Shirley

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

K. H. Teague

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

March 26, 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 18, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED
MAR 17 1954

March 15, 1954

Memorandum

To: Operating Committee, D M E A- Washington

From: Acting Executive Officer, DMEA - Region VII

Subject: Assignment of Contract, Docket No. DMEA-3125, Idm-E 614.
Banks Mine, Hyatt & Presnell, partners.

Returned herewith are the 6 copies of the subject assignment.

Joe Godfrey has severed connections with Fred Hyatt on the Banks Mine, thus the assignment is no longer applicable.

Lonnie Presnell desires to transfer his interest in both the lease and contract to Fred Hyatt. As Mr. Presnell is now confined to a hospital by illness it will be impossible for him to participate in the contract.

Please prepare the necessary assignment for Mr. Hyatt's and Mr. Presnell's signatures.

Wm. A. Beck

Wm. A. Beck

RECEIVED
MAR 19 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Government's Copy

Administration
RECEIVED
1954

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, Idm-E614, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the Contract to ~~Joe Godfrey, of Burnsville, North Carolina, the new partner of~~ Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from ~~Joe Godfrey~~ Fred Hyatt, does hereby assign, transfer, and convey to ~~Joe Godfrey~~ Fred Hyatt all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, ~~Joe Godfrey~~ Fred Hyatt; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this _____ day of _____, 1954.

_____
Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, ~~Joe Godfrey~~ Fred Hyatt, this _____ day of _____, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

_____
~~Joe Godfrey~~
Fred Hyatt

GOVERNMENT'S CONSENT

The Government, this ~~12th~~ day of ~~February~~, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any ~~claims or demands that the Government may have against him on or prior to the date of this consent.~~ of the terms, provisions, or conditions of the Contract, or any amendments thereof.

THE UNITED STATES OF AMERICA

By O O Mitchell
Administrator, Defense
Minerals Exploration
Administration

Operator's Copy

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, Idm-E614, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the contract to Joe Godfrey, of Burnsville, North Carolina, the new partner of Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from Joe Godfrey, does hereby assign, transfer, and convey to Joe Godfrey all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, Joe Godfrey; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this _____ day of _____, 1954.

_____
Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, Joe Godfrey, this _____ day of _____, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

_____
Joe Godfrey

GOVERNMENT'S CONSENT

The Government, this 12th day of February, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any claims or demands that the Government may have against him on or prior to the date of this consent.

THE UNITED STATES OF AMERICA

By O O Mittendorf
Administrator, Defense
Minerals Exploration
Administration

Finance Office Copy

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, Idm-E614, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the contract to Joe Godfrey, of Burnsville, North Carolina, the new partner of Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from Joe Godfrey, does hereby assign, transfer, and convey to Joe Godfrey all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, Joe Godfrey; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this _____ day of _____, 1954.

_____
Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, Joe Godfrey, this _____ day of _____, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

_____
Joe Godfrey

GOVERNMENT'S CONSENT

The Government, this 12th day of February, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any claims or demands that the Government may have against him on or prior to the date of this consent.

THE UNITED STATES OF AMERICA

By C O Mitchedorf
Administrator, Defense
Minerals Exploration
Administration

Field Team Copy

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, Idm-E614, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the contract to Joe Godfrey, of Burnsville, North Carolina, the new partner of Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from Joe Godfrey, does hereby assign, transfer, and convey to Joe Godfrey all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, Joe Godfrey; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this _____ day of _____, 1954.

_____
Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, Joe Godfrey, this _____ day of _____, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

_____
Joe Godfrey

GOVERNMENT'S CONSENT

The Government, this 12th day of February, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any claims or demands that the Government may have against him on or prior to the date of this consent.

THE UNITED STATES OF AMERICA

By C A Mitkeudorf
Administrator, Defense
Minerals Exploration
Administration

Docket Copy

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, Idm-E614, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the contract to Joe Godfrey, of Burnsville, North Carolina, the new partner of Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from Joe Godfrey, does hereby assign, transfer, and convey to Joe Godfrey all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, Joe Godfrey; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this _____ day of _____, 1954.

_____
Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, Joe Godfrey, this _____ day of _____, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

_____
Joe Godfrey

GOVERNMENT'S CONSENT

The Government, this 12th day of February, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any claims or demands that the Government may have against him on or prior to the date of this consent.

THE UNITED STATES OF AMERICA

By C. J. Mitchenor
Administrator, Defense
Minerals Exploration
Administration

Robin
Hoch
Chandler

Division Copy

ASSIGNMENT OF CONTRACT

WHEREAS, Fred Hyatt and Lonnie Presnell, partners, entered into an Exploration Project Contract, Idm-E614, Docket No. DMEA-3125, dated September 28, 1953, as amended (hereinafter called the "Contract"), with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Lonnie Presnell, by an instrument dated January 30, 1954, assigned his interest in the leased land which is the subject of the Contract to Fred Hyatt, his partner; and

WHEREAS, Lonnie Presnell desires to transfer his interest in the contract to Joe Godfrey, of Burnsville, North Carolina, the new partner of Fred Hyatt;

NOW THEREFORE, Lonnie Presnell, in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration received from Joe Godfrey, does hereby assign, transfer, and convey to Joe Godfrey all of his right, title, and interest in the Contract.

Lonnie Presnell agrees to release and hereby releases the Government from any and all claims arising out of the Contract.

This assignment is subject to the written acceptance of the assignee, Joe Godfrey; to assumption by the assignee of the terms, provisions, and conditions of the Contract; and to the written consent of the Government.

Dated this _____ day of _____, 1954.

_____
Lonnie Presnell

ASSIGNEE'S ACCEPTANCE

The assignee, Joe Godfrey, this _____ day of _____, 1954, hereby accepts the above assignment and assumes and agrees to be bound by the terms, provisions, and conditions of the Contract.

_____
Joe Godfrey

GOVERNMENT'S CONSENT

The Government, this 12th day of February, 1954, hereby consents to the above assignment without releasing Lonnie Presnell from any claims or demands that the Government may have against him on or prior to the date of this consent.

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

Ryton
Hank
Chamberlin

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

No additional work has been accomplished on this contract since that covered in the Interim Report of January 29, 1954. It was reported that attempts have been made to move a hoist to the mine site, but due to inclement weather this has not been accomplished and may be holding up the work. Another visit will be made in the near future.

Mr. W. A. Beck, member of the DMEA Field Team, Region VII, accompanied the examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague & D. H. Amos, Geologists
U. S. Geological Survey

February 26, 1954

FILE COPY
SURNAME:

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

FEB 15 1954

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

Re: Docket No. DMA-3125 (Mica)
Hyatt and Presnell
Banks Mine
Yancey County, N. C.
Contract Idm-E614

Dear Mr. Laurence:

This responds to your memorandum dated February 8 to the Operating Committee transmitting a copy of an assignment of the interest of Lonnie Presnell in the leased land which is the subject of exploration under the contract above described. Your memorandum also requested that an assignment of Presnell's interest in the Exploration Project Contract be prepared.

As we pointed out in our letter dated February 4 to you concerning another assignment (Docket No. DMEA-2734, H. J. Twiggs, et al.), the transfer of an interest in land by one partner, either to another partner or to a third party, in no way affects the obligations of the assignor under the Exploration Project Contract. Applying the principle to this case, Presnell's assignment of his interest in the mining lease to his partner, Hyatt, did not affect his obligations under the Exploration Project Contract.

Your memorandum stated that it is your "understanding" that Joe Godfrey is now a partner of Fred Hyatt's "in the operation of the Banks Mine." There is enclosed an assignment-of-contract form for execution by Lonnie Presnell and Joe Godfrey at the places on the form designated for their signatures, subject to your verifying your understanding that Joe Godfrey is now a partner under the

P.C. 2-15-54

exploration contract. If Joe Godfrey is in fact a partner of Fred Hyatt's under the exploration contract, all payments due the Operator should, after the assignment has been executed, be made to Fred Hyatt and Joe Godfrey.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2HB)

Enclosures

Approved:

J. H. Hedges

Member, Bureau of Mines (2HB)

D. M. Larrabee

Member, Geological Survey (2HB)

HCRubin:ep 2-11-54

Copy to: Docket
Adm. Reading File
Operating Committee
Mr. W. F. Dietrich, B/M
Mr. D. M. Larrabee, USGS
Mr. Houk
Mr. Hofflund
Mr. Rubin
Chron.
Pending

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1954

February 8, 1954

Memorandum

TO: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Transfer and Assignment of Mining Lease. DMEA-3125; Idm-E 614 Hyatt and Presnell (Banks Mine) Yancey County, N. C.

Transmitted herewith is a Transfer and Assignment of the lease on the subject mine which was received in this office today.

By this transfer Fred Hyatt assumes full control of the lease and releases Lonnie Presnell from all claims against it.

Please prepare papers for this assignment of interest in the DMEA contract, and we will obtain signatures.

It is our understanding that Joe Godfrey of Burnsville, N. C. is now a partner with Fred Hyatt in the operation of the Banks Mine.

Robert A. Laurence
Robert A. Laurence

RECEIVED
FEB 10 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN. February 8, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 10 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Transfer and Assignment of Mining Lease. DMEA-3125; Idm-E 614 Hyatt and Presnell (Banks Mine) Yancey County, N. C.

Transmitted herewith is a Transfer and Assignment of the lease on the subject mine which was received in this office today.

By this transfer Fred Hyatt assumes full control of the lease and releases Lonnie Presnell from all claims against it.

Please prepare papers for this assignment of interest in the DMEA contract, and we will obtain signatures.

It is our understanding that Joe Godfrey of Burnsville, N. C. is now a partner with Fred Hyatt in the operation of the Banks Mine.

Robert A. Laurence

WAB/zm
cc:
Beck
Lync
Files

THE GREAT STATE OF NORTH CAROLINA, County of Yancey

THIS TRANSFER AND ASSIGNMENT OF MINING LEASE made and entered into this the 30th day of January 1954 by and between Lonnie PRESNELL, party of the first part and FRED HYATT, party of the second part,

WITNESSETH:

THAT WHEREAS a Mining Lease dated 17 June 1953 was made by Donald Banks and wife, Pauline Banks, J. R. Banks and wife, Gladys Banks, and W. K. Banks and wife, Julia Banks, as Owners to Fred Hyatt and Lonnie Presnell as Lessees, which Mining Lease is recorded in Yancey County Deed Book 111 page 306, and reference is hereby made to said public record for the full contents of said Mining Lease; and,

WHEREAS it has been agreed that Lonnie Presnell transfer and assign all his right and title and interest in and to said Mining Lease unto Fred Hyatt as hereinafter stated:

NOW, THEREFORE, in consideration of the premises and in further consideration of the sum of $10.00 and other good and valuable consideration paid by the said Fred Hyatt to Lonnie Presnell, the receipt of which is hereby acknowledged, the said Lonnie Presnell does hereby convey, transfer and assign all his right, title and interest in and to the aforesaid Mining Lease unto Fred Hyatt, his heirs and assigns, so that the said Lonnie Presnell has no further leasehold interest under said lease or in the premises described therein.

AND it is expressly understood and agreed that by the acceptance of this transfer and assignment the said Fred Hyatt assumes all liabilities and responsibilities as the sole Lessee under said lease and agrees to save the said Lonnie Presnell harmless from any loss or liability that the said Lonnie Presnell may sustain or incur by reason of said Mining Lease.

IN WITNESS WHEREOF, the parties hereto have hereunto signed their signatures and affixed their seals the day and year first above written.

Fred Hyatt (SEAL)

Lonnie Presnell (SEAL)

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

I, Billie Clyde Peterson, Notary Public, do hereby certify that LONNIE PRESNELL and FRED HYATT personally appeared before me this day and acknowledged the due execution of the foregoing TRANSFER AND ASSIGNMENT OF MINING LEASE for all the purposes therein expressed.

My commission expires Sept. 28, 1955.

WITNESS my hand and notarial seal this the 30th day of January 1954.

Billie Clyde Peterson
Notary Public

TRANSFER AND ASSIGNMENT

OF

MINING LEASE

By and Between:

FRED HYATT & LONNIE PRESNEI

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 12 1954

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, North Carolina.

Open cut work has been completed and shaft sinking is now under way on this contract. A northeast trending cut 18½ feet in depth was made by bulldozer which exposed the pegmatite and placed the operators in firm ground. Most of the material moved consisted of biotite schist and pegmatite. The pegmatite material was composed of quartz boulders, kaolinized feldspar, and muscovite and biotite mica. About 200 to 250 pounds of block mica, mostly in small sizes, was recovered during bulldozing. Shaft sinking is now under way in pegmatite and about 9 feet has been accomplished. A quartz core trending N 10° W, feldspar and scattered blocks of mica were observed in place. The shaft has been collared with 10" round logs and as soon as practicable another set and solid lagging will be installed.

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

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

January 29, 1954

FILE COPY
SURNAME:

Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

N. S. in R.R.

December 16, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-3125 - Mica
Contract No. Idm-E614
Hyatt and Presnell
Banks Mine
Yancey County, North Carolina

Re: Amendment No. 1
Concurrence by Nonmetallic Minerals Division

Amendment No. 1 as prepared and executed by the Executive Officer, Region VII, relates to a change in the descriptive portion of Agreed Unit Cost under Exhibit "A"

"50 feet of shaft @ $50/ft - $2,500.00"
is changed to -
"<u>50 feet depth of open cut and shaft</u> @ $50/ft - $2,500.00"

The underscored phrase above is somewhat ambiguous and not easily understood. Evidently a few feet in depth of overburden was bulldozed from around the shaft collar and to compensate for this it has been included by amendment. The amendment while not well written, will probably serve the purpose for which it was made and as there is no increase in the total cost, this division will concur in the amendment as prepared and executed by the Field Team.

J. T. Robertson
Nonmetallic Minerals Division

JTRobertson:ag 12/16/53
Copy to: Admr. R. File
Docket File
Mr. Houk

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

December 16, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-3125 - Mica
Contract No. Idm-E614
Hyatt and Presnell
Banks Mine
Yancey County, North Carolina

Re: Amendment No. 1
Concurrence by Nonmetallic Minerals Division

Amendment No. 1 as prepared and executed by the Executive Officer, Region VII, relates to a change in the descriptive portion of Agreed Unit Cost under Exhibit "A"

"50 feet of shaft @ $50/ft - $2,500.00"
is changed to -
"<u>50 feet depth of open cut and shaft</u> @ $50/ft - $2,500.00"

The underscored phrase above is somewhat ambiguous and not easily understood. Evidently a few feet in depth of overburden was bulldozed from around the shaft collar and to compensate for this it has been included by amendment. The amendment while not well written, will probably serve the purpose for which it was made and as there is no increase in the total cost, this division will concur in the amendment as prepared and executed by the Field Team.

J. T. Robertson

J. T. Robertson
Nonmetallic Minerals Division

600

December 16, 1953

randum

Administrator

From: Nonmetallic Minerals Division

Subject: Docket No. DMEA-3125 - Mica
Contract No. Idm-2614
Hyatt and Presnell
Banks Mine
Yancey County, North Carolina

Re: Amendment No. 1
Concurrence by Nonmetallic Minerals Division

Amendment No. 1 as prepared and executed by the Executive Officer, Region VII, relates to a change in the descriptive portion of Agreed Unit Cost under Exhibit "A"

"50 feet of shaft @ $50/ft - $2,500.00"
is changed to -
"50 feet depth of open cut and shaft @ $50/ft - $2,500.00"

The underscored phrase above is somewhat ambiguous and not easily understood. Evidently a few feet in depth of overburden was bulldozed from around the shaft collar and to compensate for this it has been included by amendment. The amendment while not well written, will probably serve the purpose for which it was made and as there is no increase in the total cost, this division will concur in the amendment as prepared and executed by the Field Team.

J. T. Robertson
Nonmetallic Minerals Division

JTRobertson:ag 12/16/53
Copy to: Admr. R. File
Docket File
Mr. Houk

RECEIVED
DEC 23 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPERATOR: Fred Hyatt and Lonnie Presnell, Pensacola, N. C.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, N. C.

This mine was not working because of a heavy snow and freezing weather. Contact with the operator divulged that open cut work is underway and that the cut has been deepened for 12 feet along the strike of the body. Another attempt to visit the mine will be made in the near future.

L. E. Shirley

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

December 15, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 - 1953

December 7, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Acting Executive Officer

Subject: Amendment I. on DMEA-3125, Idm-E 614. Hyatt & Pressnel (mica)

Transmitted are three copies of the above subject amendment signed by Mr. Hyatt and Mr. Presnell. Proper distribution of the other copies has been made.

This amendment was made because the Operator felt, and the Field Team agrees that by making an open cut the pegmatite would be better explored than by a shaft. No change in the unit cost per foot of depth is made.

Wm. A. Beck

Wm. A. Beck

zm

RECEIVED
DEC 23 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

MDS

PROPERTY OF THE FEDERAL
DEFENSE METALS ADMINISTRATION
RECEIVED
NOV 30 1953

INTERIM REPORT

DMEA-3125 Idm-E614 (mica) BANKS MINE

OPER.: Fred Hyatt and Lonnie Presnell, Pensacola, North Carolina.

LOCATION: On a ridge spur south of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S 40° W of Burnsville, Yancey County, North Carolina.

Shaft sinking is underway on this contract and is now at 9.5 feet. No one was at the mine at the time of this visit and the future of the work could not be discussed with the operator. There was evidence of some recent bulldozing for preparation of a shaft site. No access road or other construction had been accomplished. The shaft had not been timbered and was sunk in both pegmatite and wall rock. About 100 pounds of rough block was observed in the vicinity of the shaft opening.

L. E. Shirley

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

K. H. Teague

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

November 20, 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
EXECUTIVE OFFICER
DMEA REGION VII
Knoxville, Tenn.

October 13, 1953

Memorandum

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

From: Executive Officer, DMEA - Region7

Subject: Signed Contract - Idm-E 614, DMEA-3125, Fred Hyatt & L. Presnell (mica)

Transmitted are three signed copies of the above subject contract properly signed by Mr. Hyatt and Mr. Presnell and the forms Mf-203 signed by the owners of the land leased by the applicants of contract.

Proper distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

zm

10-15

140

FILE COPY
SURNAME:

Kane
Anton

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

N.S. in R.R.

September 28, 1953

Memorandum

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

From: Chief Counsel

Subject: Fred Hyatt and Lonnie Presnell, Partners, Docket No. DMEA-3125 (Mica)

Attached in satisfactory legal form for execution is a contract covering the above-described project, subject to the following:

1. Your approval of this contract, which is for 90 percent contribution.

2. The Operator furnishing proof that he has the right to construct an access road to the property on the land where he proposes to construct it.

3. The Owner's Consent to Lien is on the old form. In this small case, I think we may accept it, but it would be preferable to have it on the new form.

Albert E. Kane

for J. L. Hofflund
Chief Counsel

600

Attachments

AEKane:ep

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

FILE COPY
SURNAME:

Robertson
Houk
Dragnier
Selfridge
Hedges

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

600

SEP 28 1953

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

Subject: Docket No. DMEA-3125 - Mica
Hyatt and Presnell
Banks Mine
Yancey 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. There is also enclosed copy of a memorandum from the Chief Counsel, dated September 22, 1953. Please note the second and third items.

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

JTRobertson:gad 9/23/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Enclosures 11

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

September 22, 1953

Memorandum

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

From: Chief Counsel

Subject: Fred Hyatt and Lonnie Presnell, Partners, Docket No. DMEA-3125 (Mica)

Attached in satisfactory legal form for execution is a contract covering the above-described project, subject to the following:

1. Your approval of this contract, which is for 90 percent contribution.

2. The Operator furnishing proof that he has the right to construct an access road to the property on the land where he proposes to construct it.

3. The Owner's Consent to Lien is on the old form. In this small case, I think we may accept it, but it would be preferable to have it on the new form.

for J. L. Hofflund
Chief Counsel

Attachments

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

September 16, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3125, Mica, Banks Mine, Fred Hyatt and Lonnie Pressnell, Cleveland County, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $7,275.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

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

September 15, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3125 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: Donald A. Brobst, U. S. Geological Survey
Applicant: Fred Hyatt and Lonnie Pressnell, Pensacola, North Carolina.
Name of property: Banks Mine.
Location of property: On a ridge spur S. of Blankenship Creek, a tributary of Price Creek, 15 miles by road and 6.5 air miles S. 40 W. of Burnsville, Yancey Co., North Carolina.
Date of field team report: September 4, 1953.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation:

350 yds. of access road at $1.00/linear yd.	$350.00
10' x 12' tool house	150.00
Exploder magazine	25.00
Powder magazine	50.00
50' of 5'x7', 2 compartment shaft at $50/ft.	2,500.00
120 ft. drift/or crosscut at $35/ft.	4,200.00
Estimated total	$7,275.00

Comments:

1. This field examination is the first information on the property.
2. The field team found evidence of good ruby mica and revised the applicants' exploration program from $5,475 to $7,275, an increase of $1,800.

ACTION SUGGESTED:

Follow field team's recommendation.

Donald A. Brobst

Donald A. Brobst

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Library
SEP 8 - 1953

GCS
9/24/53

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3125, BANKS MINE
(mica)
Yancey County, N. C.

By

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

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

September 4, 1953

Reviewed by
DMEA OPERATING COMMITTEE
9-11-53
(date)

Report of Examination
on
BANKS MINE, DMEA-3125, (mica)

Applicant: Fred Hyatt and Lonnie Pressnell, Pensacola, N. C.

A limited amount of stripping at this deposit has exposed a pegmatite at least 90 feet long which contains mica of strategic grade. The exposures are favorable for the discovery of a worthwhile deposit of strategic mica. The examiners recommend that assistance be granted.

The mine was examined on August 26, 1953. Messrs. Fred Hyatt and Lonnie Pressnell accompanied the examiners on the inspection which required three hours.

The Banks mine is on a ridge spur south of Blankenship creek, a tributary of Price Creek, 15 miles by road and 6.5 airline miles S. 40° W. of Burnsville, Yancey County, North Carolina. Access to the mine is good, except 100 yards, where no road exists. It will be necessary to construct approximately 350 yards of road to make the mine completely accessible.

Both applicants are reliable. Mr. Pressnell has mined mica a good portion of his life and is entirely capable of conducting the proposed project.

There are no surface facilities on the property. Old workings consisted of several pits and trenches along the outcrop. Evidence of these openings has been distroyed by recent stripping with a bulldozer. At present workings consist of a stipped area 100 feet long, 40 feet wide, to a maximum depth of 6 feet. From the stripped area two trenches as shown on the attached map have been made on pegmatite. The deepest work is not greater than 20 feet.

Recent stripping has exposed the pegmatite rather well. It exposes ~~the~~ a pegmatite that forks to the south. North of the point of separation the pegmatite is from 6 to 10 feet in thickness. The western pegmatite strikes N. 30° E and has a near vertical dip. It is from 6 to 10 feet thick and is composed of a conspicuous quartz core with adjacent zones of feldspar, quartz and muscovite. The distribution of mica cannot be determined at present. The eastern arm of the pegmatite trends in the main north-south, and dips about 50° W. This portion of the pegmatite is about 4 feet thick and unzoned, being composed of coarse soda feldspar, quartz, and mica.

The pegmatite is in mica-kyanite gneiss.

The mica is ruby colored, hard, and splits well. Both flat and "A" occur. The flat is clear and sizes up to 8 inches may be found in the dump.

The "A" is badly bent and cracked; black spots occur along the arms of the "A". Very little of the "A" will produce pattern; however, it comstitutes only about 20 percent of the total mica present.

The examiners recommend that 350 yards of access road, tool house, and exploder and powder magazines be constructed, and a 50-foot shaft sunk near the point of intersection of the south arms of the pegmatite. After the shaft is completed, 120 feet of drift/or crosscuts should be driven on the pegmatite.

Estimated Costs:

350 yds. of access road @ $1.00/linear yd.	$ 350.00
10' x 12' Tool House	150.00
Exploder Magazine	~~25.00~~ 20
Powder Magazine	50.00
50-foot, 5' x7', 2-compartment shaft @ $50/ft.	2500.00
120 feet drift/or crosscut @ $35/ft.	4200.00
Estimated Total Cost	~~$7275.00~~ 7270.00

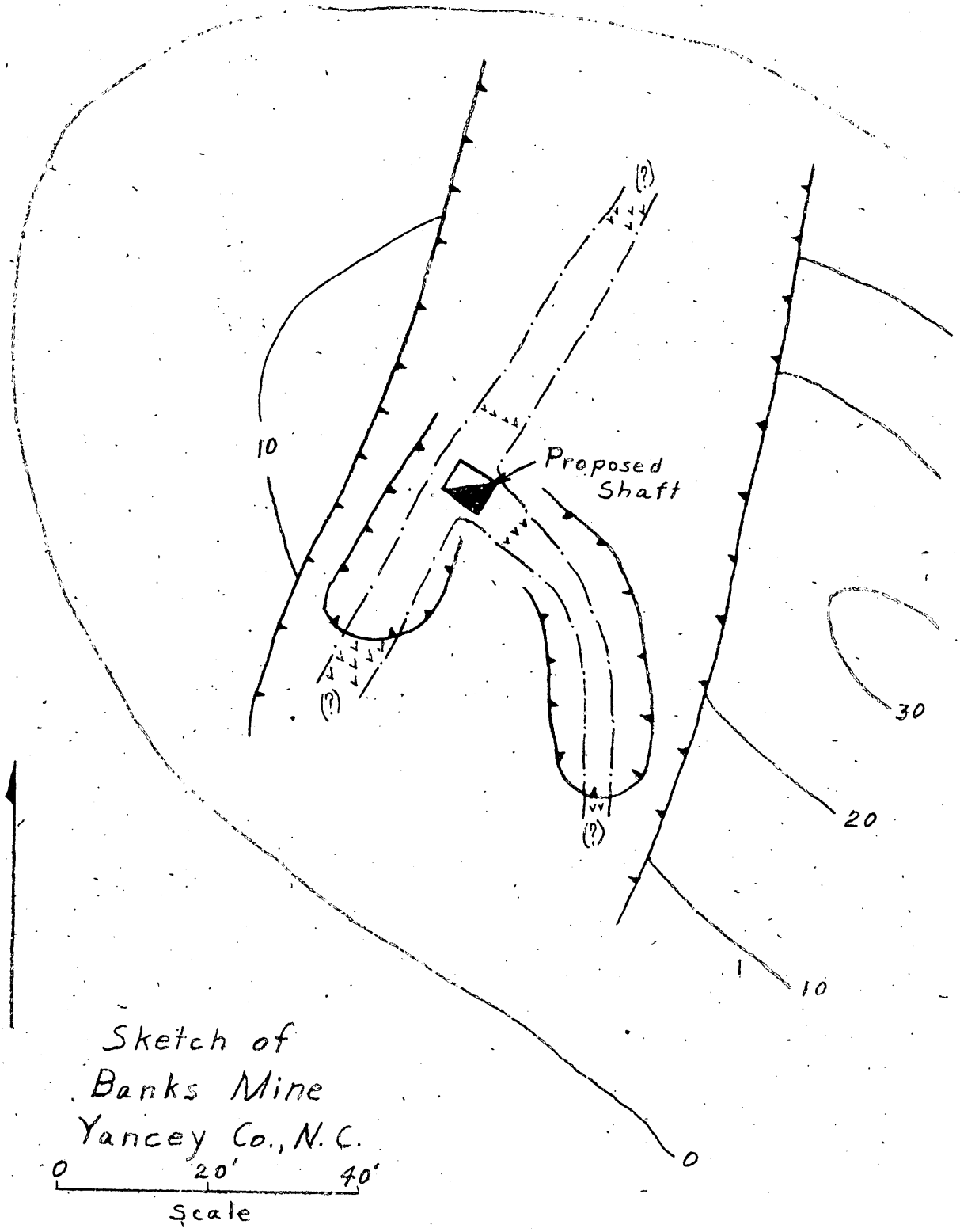
Estimated time required - 6 months

September 4, 1953

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM

zm



Sketch of
Banks Mine
Yancey Co., N.C.

0 20' 40'
Scale

DMER-3125 (mica)

FILE COPY
SURNAME:

Robertson
Houk
Martin
Thrasher
Tandell
Selfridge

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

AUG 12 1953

Hyatt & Pressnell
C/o Fred Hyatt & Lonnie Pressnell
Pensacola, North Carolina

Re: Docket No. DMEA-3125 - Mica
Banks Mine
Yancey County, North Carolina

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

JTRobertson:gad 8/11/53

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

R.C.S.
8-12-53

FILE COPY
SURNAME:

Robertson
Houk
Martin
Selfridge

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

AUG 12 1953

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

Subject: Docket No. DMEA-3125 - Mica
Hyatt & Pressnell
Banks Mine
Yancey County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it advisable.

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

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

W. N. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

Enclosures 4

JTRobertson:gad 8/11/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.L. 8-12-53

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

Defense Minerals Administration
RECEIVED
AUG 1953

August 7, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3125, Mica, Banks Mine, Yancey County, North Carolina

No data are available in this office on subject mine. It is suggested the field team visit this mine when a member of the field team is in that vicinity to ascertain if an exploration program is justified.

W. F. Dietrich

W. F. Dietrich

Hyatt

IN REPLY REFER TO:

G-MD-CNM

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

Defense Minerals Administration
RECEIVED
JUL 24 1953

July 23, 1953

Memorandum

REVIEW OF APPLICATION DMEA 3125 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: Fred Hyatt and Lonnie Pressnell, Pensacola, North Carolina.
Name of property: Banks mine.
Location of property: 10 miles southwest of Burnsville, North Carolina.
Summary of applicant's proposal: Access road.
Stage 1 - trench 150' x 12' x 12'
Stage 2 - Shaft 45', drift 40'.
$5,475
Sources of information on applicant's property: None.
Comments: None.
RECOMMENDATION: Refer to Field Team.

D. M. Larrabee

D. M. Larrabee

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

July 22, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region VII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region VII.

DMEA -3125 - Hyatt & Pressnell

ROBERT E. ADAMS

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

33980

July 22, 1953

Hyatt & Pressnell
c/o Fred Hyatt & Lonnie Pressnell
Pensacola, North Carolina

Subject: DMEA-3125
Re: Exploration Assistance

My Dear Mr. Hyatt;

The receipt of your application dated July 17, 1953, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3125 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-3125 in any future correspondence relating to your application.

Sincerely yours,
ROBERT E. ADAMS

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 0 1953

July 20, 1953

Memorandum

To: Chairman, Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Application:Fred Hyatt & Lonnie Presnell, Pensacola, N. C.

Transmitted herewith are three copies of the above subject application along with:

Original copy of lease

6 copies of Owners Consent to Lien

One copy of the application has been retained in this office.

Robert A. Laurence
Robert A. Laurence

zm.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
JUL 2 7 1953

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

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 -3125
Metal or Mineral
Date Received 7/22/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Fred Hyatt and Lonnie Pressnell
d/b/a Hyatt & Pressnell
Pensacola, North Carolina

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*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?

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated July 17, 1953

Hyatt and Pressnell
(Applicant)

By Fred Hyatt Partner

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 0 1953

APPLICATION FOR AID IN A MICA EXPLORATION PROJECT
BURNS MINE

1. a. Fred Hyatt and Lonnie Pressnell
d/b/a Hyatt & Pressnell
Pensacola, North Carolina

b. Partnership

c. Not applicable

d. Fred Hyatt, Pensacola
Lonnie Pressnell, Pensacola

3. a. See original & duplicate copies of lease attached.

b. Banks Mine

c. Lessee

d. See copies of lease attached

e. Not applicable

f. Not applicable

4. a. About 35 years ago the mine was worked by Blankenship and others. A trench for five to ten feet was made along the vein and a considerable amount of ruby mica was obtained. The property has not been leased since that date until heirs came into possession of the mine and surrounding property.

The mine is located on a ridge and is less than 1/2 mile from a good road.

b. No record of mica production nor sales are in the hands of the operators.

c. It is thought by those acquainted with the Banks Mine that a considerable quantity of strategic mica can be obtained should the property be explored at a lower level.

d. The mineis located on Prices Creek, Yancey County, about ten miles south west of Burnsville. The mica if and when located will be sold at Spruce Pine, North Carolina

e. Man power, materials, equipment,water and power are available and can be obtained in sufficient quantities to carry on the work.

5. a. Strategic Mica

b. Construct an access road so as to permit operators to move in heavy equipment (estimated cost to block out road is $200.)

Scope of work may consist of two stages. Stage I will be to bulldoze out muck and overburden and to trench out for a distance of 150 feet, 12 feet deep and 12 feet wide so as to expose the vien structure and determine the strike. Stage II will consist of sinking a shaft 45 feet, including a five foot sump, and drifting along the pegmatite for a distance of forth feet.

c. Work will start with 15 days and will be completed 75 daysfrom the date of the exploration contract.

d. Lonnie Pressnell has had several years experience as a miner and at the present time is Foreman in charge of the Cattail Mine that is operated by the Yancey Mica Mines, Inc. He is highly qualified to supervise the work.

Fred Hyatt has had very little experience in Mica mining and he is now employed with the North Carolina State Highway Engineers.

6. No independent contract will be let.
Cost of Project:

Stage I

Grading access road L. S.	$ 200.00
Labor:	
Driller 80 hrs. @ 1.25	100.00
Helper 80 hrs. @ 1.00	80.00
Total Labor	180.00
Material & supplies to be purchased:	
Dynamite & exploders	75.00
Drill Steel	60.00
Gas & Oil	10.00
B. pipe 1"-150 feet @ 12¢/ft.	18.00
Hose	30.00
Small tools	20.00
Misc. supplies	38.25
Total Cost	251.25

Equipment to be rented:	
Bulldozer w/operator & blade 80 hrs.	800.00
Air compressor 3 4 mos. @ $200/mo.	150.00
Hammer 3/4 mo. @ $25/mo.	18.75
Total Cost	968.75
Total Cost of Stage I	$1,600.00

Stage II

Labor & supervision:	
1 supr. (1/2 time) 1 mo. @ $250	125.00
1 miner 35-8 hr. dys. @ 1.35/hr.	378.00
1 driller 35-8 hr. dys. @ 1.25/hr.	350.00
1 hoist man 35-8 hr. dys. @ 1.25/hr.	350.00
2 muckers 35-8 hr. dys. @ 1.00/hr.	560.00
Total Cost Labor & Supervision-	1,763.00
Material & supplies to be purchased:	
Dynamite & exploders	500.00
Drill steel	75.00
Power, gas & oil	100.00
Lumber, 1000 B.M. @ 60/m.	60.00
Misc. supplies	65.00
	800.00
Equipment to be rented:	
Air compressor 1 3/4 mo. @ $200/mo.	350.00
Hoist D. Drum 1 3/4 mo. @ $75	133.25
Pump 1 3/4 mos. @ $75	133.25
Jack leg 1 3/4 mo. @ $25	18.75
Hammer 1 3/4 mo. @ $25	18.75
	654.00
Insurance	250.00
Contingiences	408.00
Total Cost of Stage II	3,875.00
Cost of Stage I	1,600.00
Cost of Project	5,475.00

7. a. Yes

b. Money.

THE GREAT STATE OF NORTH CAROLINA, Yancey County

THIS MINING LEASE made and entered into this the 17th day of June 1953, by and between DONALD BANKS and wife, PAULINE M. BANKS, J. R. BANKS and wife, GLADYS BANKS, and W. K. BANKS and wife, JULIA BANKS of Yancey County, North Carolina, parties of the first part, hereinafter referred to as OWNERS, and FRED HYATT and LONNIE PRESNELL of Yancey County, North Carolina, parties of the second part, hereinafter referred to as LESSEES,

W I T N E S S E T H:

That the Owners, for and in consideration of the performance of the conditions and agreements and the payment of the royalties as hereinafter set forth, have bargained and leased, and by these presents do bargain, lease and grant unto the Lessees, their heirs and assigns, for a period of five (5) years from the date of this Lease, a certain mica mine located on the waters of Blankenship Creek in Prices Creek Township, Yancey County, North Carolina, and described as follows:

> BEGINNING on an apple tree at the mouth of Little Laurel Branch running North 10 degrees East 100 feet to a turn in the road; then North 10 degrees West 300 feet to another turn in road; then North 30 degrees West 200 feet to a small buckeye; then North 3 degrees East 200 feet to a bend in Little Elk Branch; then North 35 degrees West 100 feet to a 12 inch white birch; then North 70 degrees West 213 feet to an 8 inch butternut; then North 85 degrees West 100 feet to a large chestnut stump; then South 80 degrees West 135 feet to a sloping rock; then South 40 degrees West 100 feet to a stake; then South 45 degrees West 200 feet to a 14 inch black birch; then due North 100 feet to a stake; then South 17 degrees East 152 feet to a stake; then South 6 degrees West 100 feet to a stake; then South 35 degrees West 200 feet to a stake; then South 10 degrees East 87 feet to a 10 inch sugar maple; then down old road 700 feet on West side of Big Laurel Creek to a large stone; then South 40 degrees West 315 feet to the BEGINNING.

TO HAVE AND TO HOLD said premises for the purpose of mining mica unto the Lessees for a period of five (5) years from the date hereof, upon full compliance with each and all of the following conditions and agreements:

1. MINING RIGHTS. The Lessees shall have a right to enter upon said premises and search for, dig, quarry and obtain mica from said mica mine and, in so doing, may use bulldozer and any other machinery, equipment, tools, appliances and labor as the Lessees may elect, but shall do so in a workman-like manner.

The Lessees shall have a right of ingress and egress so as to conduct mining operations on said premises and operate under this Lease and shall have a right to use any existing roads and ways and shall have a right to construct and maintain other roads, power lines and ways on said premises for the purposes herein granted.

The Lessees shall have a right to dump waste from said mine onto said premises as may be reasonably necessary in mining operations.

2. MANNER OF WORK. The Lessees shall use sufficient machinery, equipment and labor so as to operate said mica mine in a workman-like manner and so as to keep the mine clean, safe and in workable condition.

If the Lessees should fail to work said mine in a workman-like manner for a period of 60 days, then and in such event the Owners may, at their option, declare this Lease null and void and of no further effect and thereupon the Owners shall have a right to re-enter and take possession of the premises without further notice to the Lessees.

3. ROYALTY. The Lessees shall and hereby expressly agree to pay to the Owners a royalty of one-eighth of the sales price for all mica mined and removed from said premises.

Payment of royalty shall be paid on the same day or on the following day after each sale by the Lessees.

The failure to make any payment of royalty as herein required shall constitute a breach of this Lease by the Lessees and the Owners may, at their option, declare this Lease null and void and take immediate possession of the premises, including all mica mined by the Lessees, without further notice to the Lessees.

4. RECORDS AND STATEMENTS. The Lessees shall keep an accurate DAILY record of all mica sold and removed from said premises and shall furnish the Owners a statement of all mica mined and sold, which statement shall be furnished on the day or the following day after each sale.

The Owners shall have a right to inspect the books and records of the Lessees as to all mica mined and removed from said premises.

5. TIMBER. The Lessees shall have a right to use timber from the nearby lands of the Owners as may be reasonably necessary for mining use while mining under this lease. No timber shall be used for any other purpose.

6. ASSIGNMENT. This Lease shall not be transferred or assigned without the written consent of the Owners, but it is understood and agreed that the Lessees may sell their interest in this Lease at a price satisfactory to them and the Owners, provided the Owners receive one-third of such sales price.

7. COVENANTS. The Owners covenant to and with the Lessees that they have a right to execute this Lease upon the terms herein contained; that the premises are free and clear from all encumbrances; and that they will warrant and defend the title thereto against the claims of all persons whomsoever.

IN WITNESS WHEREOF, the said Owners and the said Lessees have each hereunto signed their names and affixed their seals the day and year first above written.

Donald Banks (SEAL)
Pauline Banks (SEAL)
MK Banks (SEAL)
Julia Banks (SEAL)
J.R. Banks (SEAL)
Gladys Banks (SEAL)
OWNERS

Fred Hyatt (SEAL)
Jamie Prunell (SEAL)
LESSEES

NORTH CAROLINA, Yancey County

I, Clarence H. Burton, Notary Public, do hereby certify that Donald Banks and wife, Pauline M. Banks, J. R. Banks and wife, Gladys Banks and W. K. Banks and wife, Julia Banks, as Owners, and Fred Hyatt and Lonnie Presnell, as Lessees, each personally appeared before me this day and acknowledged the due execution of the foregoing MINING LEASE for all the purposes therein expressed.

WITNESS my signature and official seal this the 3 day of ~~June~~ July 1953.

Clarence H. Burton
Notary Public

My commission expires: March 13 1955.

NORTH CAROLINA, Yancy County:
The foregoing certificate (s) of
Clarence H. Burton
each a Notary Public of the County and State designated, duly authenticated by his official seal affixed, has (~~have~~) been duly examined and found to be in proper form according to law, and the execution of the said instrument is thereupon adjudged sufficiently proven. Let the instrument, with the certificates, be registered.

This 10 day of July, 1953.

CLERK SUPERIOR COURT

3,45 ad

MINING LEASE

DONALD BANKS and others,

OWNERS

And

mail

FRED HYATT and LONNIE PRESNELL,

Pensacola

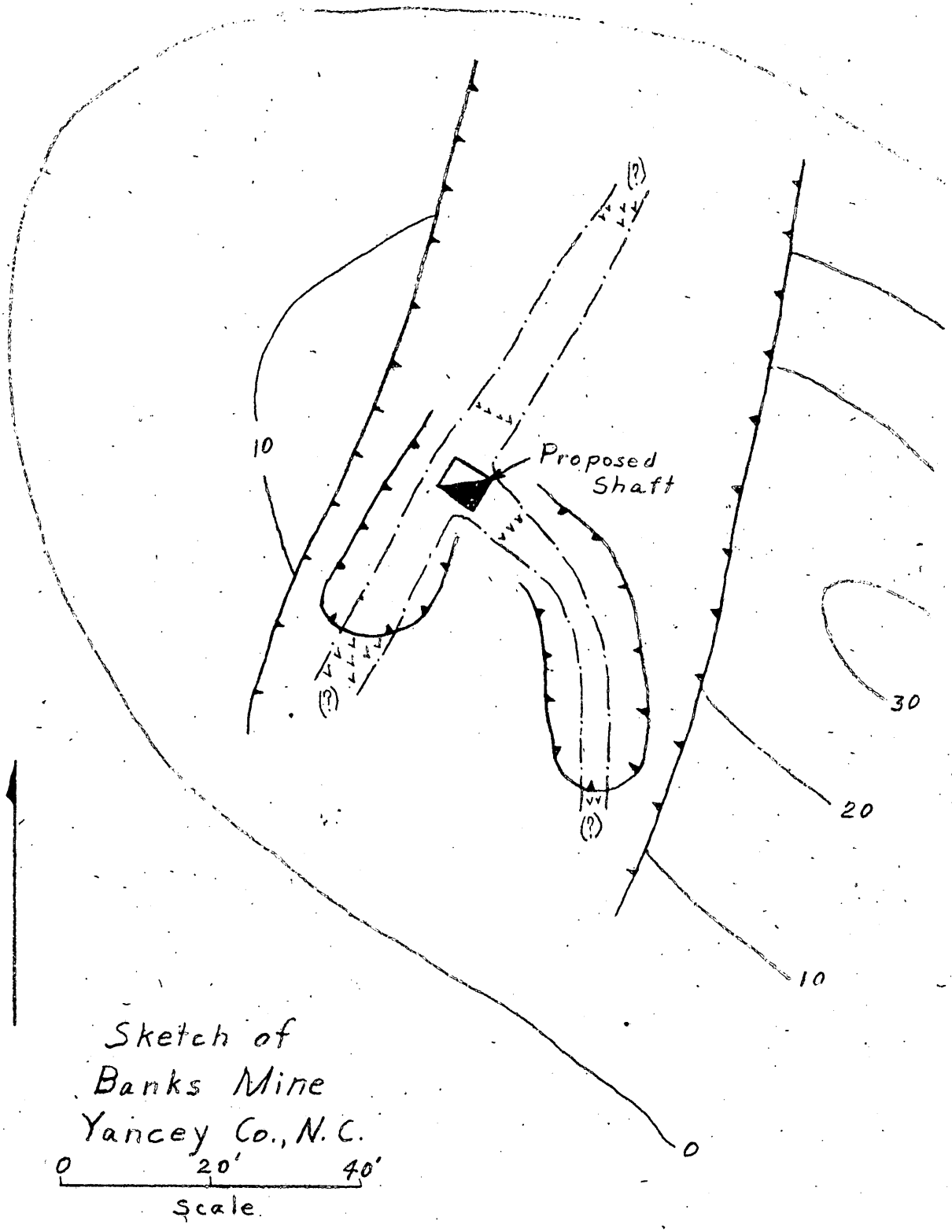
NC.

LESSEES

North Carolina,
Yancey County.
Filed for Registration on the 11
day of July *19*53 *at*
8:30 *o'clock* A.M. *and registered*
in the Office Register Deeds, and
verified this 13 *day of*
July *19*53 *at* 10:00
o'clock A.M., *in Book* 111 *of*
deeds on page 306 *et*

Evelyn H Pate

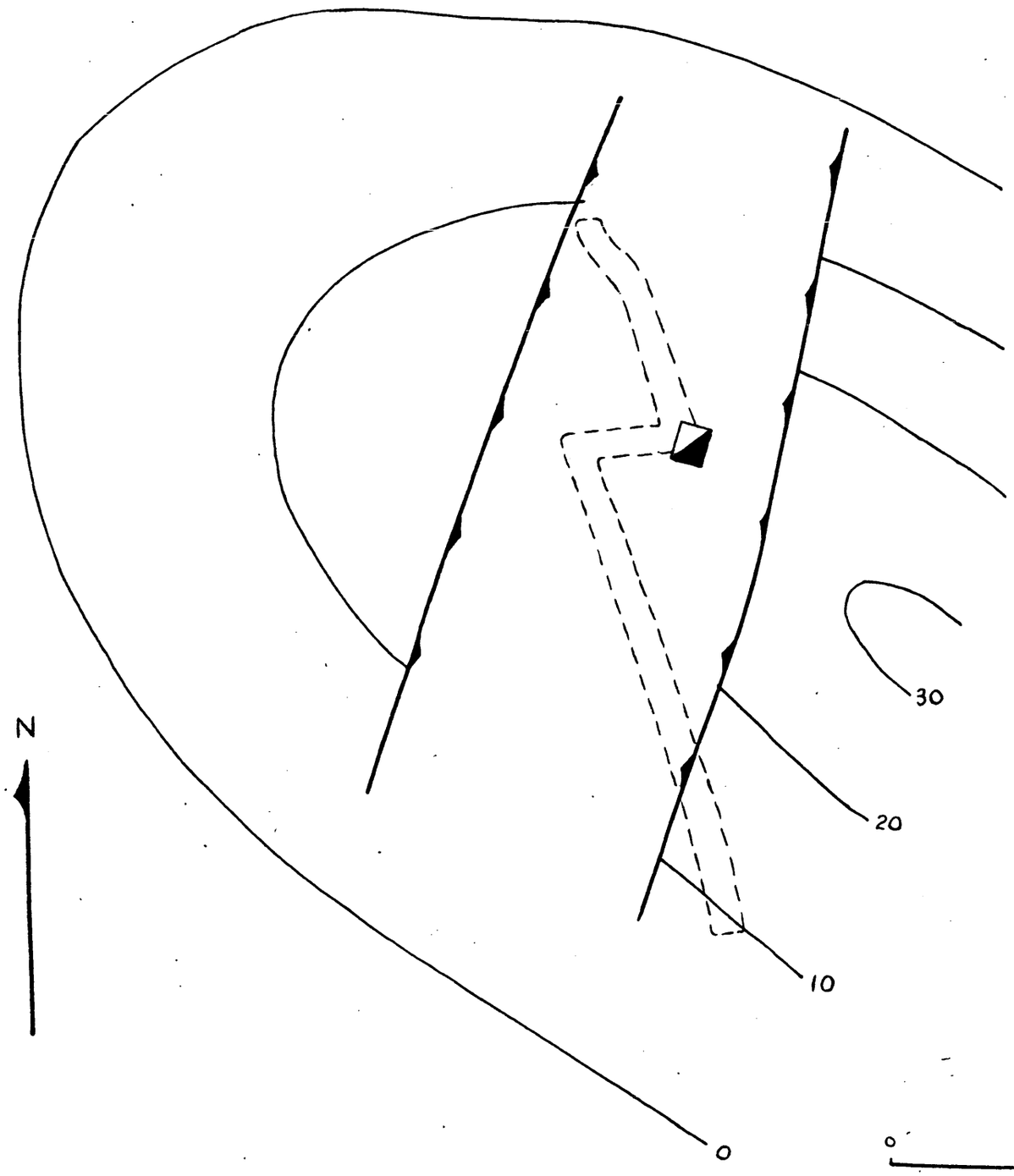
Register of D

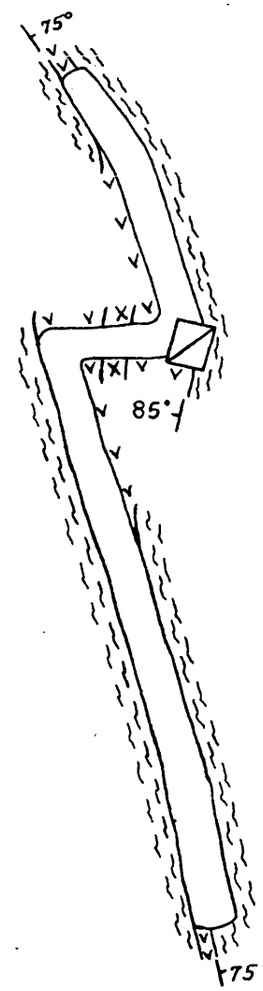


Sketch of
Banks Mine
Yancey Co., N.C.

0 20' 40'
Scale

DMEA-3125 (mica)





PLAN 31.5' LEVEL

0 20' 40'

SCALE

SKETCH OF

BANKS MINE

YANCEY CO., N.C.

DMEA-3125(mica)