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 Macon, described as follows:1/

Beginning on a Black Oak and then W. 92 poles to the Thompson Branch; then a conditional line to a Poplar near the mouth of an old mica cut or tunnel; then E. 79 poles to a Maple; then N. 69 poles to the beginning.

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/ A. Ward and John Phillips of Spruce Pine, N. C. , and Hayden Keller of Pinela, N. C. and Howard Stewart of Franklin, N.C. doing business as Emma Reid Mine.

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 _____

Dated this 1st day of March, 1954.

Emma Reid [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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 (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) 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.)

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.

Interior--Duplicating Section, Washington, D. C. 47318

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 Macon, described as follows:1/

Beginning on a Black Oak and then W. 92 poles to the Thompson Branch; then a conditional line to a Poplar near the mouth of an old mica cut or tunnel; then E. 79 poles to a Maple; then N. 69 poles to the beginning.

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/ A. Ward and John Phillips of Spruce Pine, N. C. , and Hayden Keller of Pinola, N. C. and Howard Stewart of Franklin, N. C. doing business as Emma Reid Mine.

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_____

Dated this 1st. day of March, 195__.

/s/ Emma Reid [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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 (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) 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.)

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.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
FILED
6 - 1954

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

Beginning on a Black Oak and then W. 92 poles to the Thompson Branch; then a conditional line to a Poplar near the mouth of an old mica cut or tunnel; then E. 79 poles to a Maple; then N. 69 poles to the beginning.

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/ A. Ward and John Phillips of Spruce Pine, N. C. , and Hayden Keller of Pinola, N. C. and Howard Stewart of Franklin, N. C. doing business as Emma Reid Mine.

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 _____

Dated this 1st. day of March, 1954.

/s/ Emma Reid [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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 (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) 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.)

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.

Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
Received
MAR 6 - 1954

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

Beginning on a Black Oak and then W. 92 poles to the Thompson Branch; then a conditional line to a Poplar near the mouth of an old mica cut or tunnel; then E. 79 poles to a Maple; then N. 69 poles to the beginning.

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/ A. Ward and John Phillips of Spruce Pine, N. C. , and Hayden Keller of Pinola, N. C. and Howard Stewart of Franklin, N. C. doing business as Emma Reid Mine.

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 _____

Dated this 1st day of March, 1954.

/s/ Emma Reid [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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 (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) 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.)

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.

Interior--Duplicating Section, Washington, D. C. 47318

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3249

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.

1 copy each to USBM, USGS, & Reg.

Routing Slip

To:	600	Date	2/3/54
To:	Anderson	Date	2/3/54
To:	Open Corr	Date	3-10-54
To:	Open Corr	Date	4-7-54
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

File Copy
Surname:
Anderson
Smith
Hedges
Frand
Selfridge
Johnston

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

APR 8 1954

Mr. John Phillips, et al.

Spruce Pine, North Carolina

Re: Docket No. DMEA-3249 - Mica
John Phillips, A. Ward
Hayden Keller, and Howard Stewart
Emma Reid Mine
Macon County, North Carolina

Dear Mr. Phillips:

Your application for aid for an exploration project and other reports available to us in Washington relating to the subject property have been reviewed.

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 3/23/54
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S.

File Copy
Surname:
Anderson
Houk

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

600

March 23, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and summary report.

By: Walter C. Anderson

1. DMEA Docket No. 3249 - Mica
Property - Emma Reid Mine
Macon County, North Carolina

Applicants - John Phillips, A. Ward, Hayden Keller and Howard Stewart
C/o John Phillips
Spruce Pine, North Carolina

2. Application, Form MF-103, dated January 29, 1954.
Amount requested: $4,725.00
No contract: Application denied.

3. Comments:

Geological Premise - Is based on the theory that a series of mica shoots, occurring in the Buoy No. 1 Mine adjoining to the South, will continue on into the Emma Reid Mine.

Geological Criteria:
1. Recent work by applicants, consisting of a 70-foot shaft and 54 feet of drift directed to "shoots" referred to under "Geological Premise", has failed to intersect any of them.
2. More biotite present in this portion of pegmatite than in most Macon County pegmatites.
3. Muscovite mica recovered has been of poor quality.
4. Report says that work to date has cost $12,000 and $3,000 worth of mica was produced.

Future possibilities: Are remote for an economically feasible operation.

Recommendations: Concur with field team that application should be denied.

WCAnderson:gad 3/23/54
Copy to: Admr. R. File
Docket File
Mr. Houk

RGS

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

March 23, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and summary report.

By: Walter C. Anderson

1. DMEA Docket No. 3249 - Mica
   Property - Emma Reid Mine
   Macon County, North Carolina

   Applicants - John Phillips, A. Ward, Hayden Keller and Howard Stewart
   C/o John Phillips
   Spruce Pine, North Carolina

2. Application, Form MF-103, dated January 29, 1954.
   Amount requested: $4,725.00
   No contract: Application denied.

3. Comments:

   Geological Premise - Is based on the theory that a series of mica shoots, occurring in the Buoy No. 1 Mine adjoining to the South, will continue on into the Emma Reid Mine.

   Geological Criteria:
   1. Recent work by applicants, consisting of a 70-foot shaft and 54 feet of drift directed to "shoots" referred to under "Geological Premise", has failed to intersect any of them.
   2. More biotite present in this portion of pegmatite than in most Macon County pegmatites.
   3. Muscovite mica recovered has been of poor quality.
   4. Report says that work to date has cost $12,000 and $3,000 worth of mica was produced.

   Future possibilities: Are remote for an economically feasible operation.

   Recommendations: Concur with field team that application should be denied.

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

April 2, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3249

Applicant: J. Phillips, A. Ward, H. Keller, and H. Stewart

Name and Location of Property: Emma Reid Mine
Macon County, North Carolina

Date of Field Team Report: March 19, 1954

Date Rec'd. by Ceramic & Fert. Mats. Branch: March 29, 1954

Field Team Recommendation:

1. Denial of application.

Comments:

1. Proposed exploration would be on the northern continuation of the pegmatite mined at Buoy Mine. The Emma Reid is adjacent to Buoy, with a creek serving as a dividing line.

2. The examiners are of the opinion that this is not a worthwhile deposit.

3. Operations at the Emma Reid Mine thus far have produced only $3,000 worth of mica at a cost of $12,000.

4. From all indications, it appears that an exploration program at subject mine is not justified.

Recommendation:

I concur in the field team's recommendation to deny exploration on subject mine on the basis of poor geological probabilities for developing an adequate source of strategic mica.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1954

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

MAR 24 1954

March 23, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3249 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: John Phillips, A. Ward, Hayden Keller and Howard Stewart, Spruce Pine, N. C.
Name of property: Emma Reid Mine.
Location of property: Macon County, N. C.
Date of field team report: March 16, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation: No exploration assistance.
Comments:

Extremely poor chance of making a contribution to the mica stockpile. It would probably be just the addition of another gopher hole to a thoroughly gophered area, where there are no gophers in need of holes.

ACTION RECOMMENDED:

Follow field team's recommendation.

D M Larrabee

D. M. Larrabee

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

March 19, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3249 (mica) Emma Reid Mine. Field Examination Report

Enclosed are 4 copies of the subject examination report.

We are in agreement with the field examiners' recommendation for denial of this application.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF FIELD EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3249, EMMA REID MINE (mica)
Macon County, North Carolina

by

Kefton H. Teague, Geologist
U. S. Geological Survey
**
Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines
****
Dewey H. Amos, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
3-26-54
(date)

March 16, 1954

FIELD EXAMINATION REPORT

ON

EMMA REID MINE

DMEA-3249, (mica)

Rec 4/6/54

Applicants: John Phillips, A.Ward , Hayden Keller and Howard Stewart
c/o John Phillips, Spruce Pine, North Carolina

The pegmatite involved in this application is the northern continuation of the one worked at the Buoy No. 1 (Rock Cut)Mine. Some mica has been recovered by the applicants recent work, but not enough to provide an economical operation. It appears to the field examiners that the principle basis for this application is to "bail the applicants out" of an unprofitable mine. We do not recommend exploration assistance.

The mine was visited on March 8 and again on March 9, 1954, at which time the underground openings were dewatered. Messrs. John Phillips and A. Ward accompanied the examiners on the inspection March 8. The examination required four hours.

The Emma Reid Mine is in the floodplain of Watauga Creek, 4 miles N. 36° E. of Franklin, Macon County, North Carolina. It is about 50 feet north of the creek and has good access at all times.

Until the applicants began work, no effort had been made to mine the Buoy pegmatite north of the creek. The applicants have sunk a 70-foot shaft and driven 54 feet of drift from the 68-foot level. The drift is on a 6 - 10 foot pegmatite which strikes N. 25° E. and dips 70° S E. No mica "shoot" was encountered, although approximately $3,000 worth of mica resulted from the work. An estimated 100 gal./min. of water has to be pumped to keep the mine dry; however, almost all of this water comes in above the top of rock.

In the Buoy No.1 mine a series of mica "shoots" have been profitably worked. These shoots rake from a low angle to 35° to the northeast. As the deepest workings at the Buoy No. 1 mine is now about 90 feet, work on the Reid mine has been directed toward interesecting them. None have been found.

The reason for the shaft on the Reid property is that the creek is the property line and the owners of the Buoy No. 1 Mine will not permit the operators to remove muck from the Reid property through the Buoy workings.

The pegmatite in the new workings is composed of plagioclase feldspar, quartz, biotite and muscovite, listed in order of abundance. More biotite is present in this portion of the pegmatite than is present in most of the Macon County pegmatites. The muscovite recovered from the work to date has been in general of poor quality. Much of it is "tied" and black spots are common.

It is reported that the work to date has cost $12,000 and that $3,000 worth of mica was produced.

The field examiners are of the opinion that the possibility of discovering a worthwhile deposit of strategic mica on this property are poor, thus we recommend denial of the application.

March 8-9, 1954

K. H. Teague and D. H. Amos, Geologists
U. S. G. S.

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

z

File Copy
Surname:

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

MAR 10 1954

Mr. John Phillips, et al.

Spruce Pine, North Carolina

Re: Docket No. DMEA-3249 - Mica
John Phillips, A. Ward,
Hayden Keller, and Howard Stewart
Emma Reid Mine
Macon County, North Carolina

Dear Mr. Phillips:

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. Lawrence, 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. Mitterdorf (fw)

Administrator

LGHouk:gad 3/9/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Reg. 7
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.G. 3-11-54

File Copy
Surname:

Hook
Selfridge
Hedges

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

MAR 1 0 1954

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

Subject: Docket No. DMEA-3249 - Mica
John Phillips, A. Ward,
Hayden Keller, and Howard Stewart
Emma Reid Mine
Macon County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated February 4, 1954 and from the Bureau of Mines, dated February 5, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/13)

Approved:

J. H. Hedges (2/13)
Member, Bureau of Mines

D. M. Larrabee (2/13)
Member, Geological Survey

Enclosures 4

LGHouk:gad 3/9/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S. 3-11-54

FILE COPY
Surname:

Anderson
Houk
Westmoreland

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

FEB 1 0 1954

Mr. John Phillips, et al.

Spruce Pine, North Carolina

Re: Docket No. DMEA-3249 - Mica
John Phillips, A. Ward, Hayden Keller,
and Howard Stewart
Emma Reid Mine
Macon County, North Carolina

Gentlemen:

Reference is made to the subject application for exploration assistance.

We are lacking Owner's Consent to Lien which you state will follow. In addition, we lack an acceptable legal description of your property that is the bounding bearings and distances enclosing the area. The description contained in the lease is inadequate.

Processing of your application will be resumed upon receipt of the above information.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson:gad 2/10/54

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

R.C.S.
2-10-54

Mr. Anderson

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
RECEIVED
FEB 3 1954

February 5, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3249

Applicant: Ward, Phillips, and Keller

Name and Location of Property: Emma Reid Mine
Macon County, North Carolina

Application Rec'd by Ceramic & Fertilizer Mats. Branch: February 3, 1954

Comments:

1. No data available in this office on subject property.
2. Estimated costs - $4,725

Recommendation:

It is recommended that the field team visit this property when a member of the field team is in that vicinity to ascertain if a project is justified.

W. F. Dietrich

W. F. Dietrich

Mr. Anderson

IN REPLY REFER TO:
G-MD-CNM

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

February 4, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3249 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. A. Brobst, U. S. Geological Survey
Applicant's name and address: A. Ward and John Phillips, Spruce Pine; Hayden Keller, Pineola; and H. Stewart, Franklin, N. C.
Name of property: Emma Reid.
Location of property: Along Watauga Creek, 6 miles E. of Franklin, Macon County.
Summary of applicant's proposal:

1.	35' of 5' x 7' shaft at $50/ft.	$1750.00
2.	50' of drift at $35/ft.	1750.00
3.	35' of cross-cut at $35/ft.	1225.00
		$4725.00

Sources of information on applicant's property: None.
Comments:

1. The applicants are known to be competent.
2. The applicants have begun work on their own money and are now requesting aid. If they were willing to start on their own, we should send the field team in to look over the progress to date to see if prospects warrant government participation.

RECOMMENDATION:

Send the field team to examine the property.

D. A. Brobst

D. A. Brobst

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

February 3, 1954

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 - 3249 John Phillips, et al.

ROBERT E. ADAMS

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

February 3, 1954
Subject: DMEA-3249
Re: Exploration Assistance
Emma Reid Mine

Mr. John Phillips, et al.
Spruce Pine
North Carolina

Dear Sirs:

The receipt of your application dated January 29, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3249 and referred to the NonMetallic Minerals Division.

Kindly refer to DMEA-3249 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

Owner's Consent to Lien to follow

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

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. 3249
Metal or Mineral Mica
Date Received
Estimated Cost $4,725
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: A. Ward and John Phillips of Spruce Pine, N. C., Hayden Keller of Pinola, N. C., and Howard Stewart of Franklin, N. C.

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

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

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

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

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

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on Not owner

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

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

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

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

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

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

5. *The exploration 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?

☐ 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 1-29, 1954

John A Phillips
(Applicant)

By .....

.....

.....

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

MF 103

1. (a) A. Ward and John Phillips of Spruce Pine, N. C., Hayden Keller of Pinola, N. C., and Howard Stewart of Franklin, N. C.

   (b) Partnership.

2. (a) No Answer.

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

   (b) Emma Reid Mine.

   (c) Lessee.

   (d) Lease is attached as Exhibit A.

   (e) Not owner.

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

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

   (b) This is a new mine opened up by the applicants. But it is believed to be an addition to The Old Rock Cut Mine.

   (c) No answer.

   (d) This mine is located about 6 miles east of Franklin on the Watauga Creek.

   (e) There is ample experience manpower available. Electricty is already at the mine. The equipment is already at the minetoo.

5. (a) It is anticipated that the pegmatite contains ruby mi ca of stockpile grade.

   (b) We already sank a shaft 70 feet and drifted 50 feet. It is proposed to to sink a shaft 35 feet more . Then it is proposed to drift 50 feet in the other direction. Then it is proposed to crosscut 35 feet.

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

   (d) The ability of the persons connected with this project is a matter of record with the DMEA.

6. Estimate of Costs.

   (a) Independent Contracts-None.
   (b through h)

(1)	Shafting - 5 x 7 - 35 ft.	@ $50.00	$1750.00
(2)	Drifting - 50 ft.	@ 35.00	1750.00

(3)	Crosscutting	35 feet @ $35.00	$1225.00
		Total	$4725.00

7. (a) Applicant will pay in money 25% required by regulation.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

NORTH CAROLINA

MACON COUNTY

C O N T R A C T

This Contract, made this the 28th day of August, 1953, by and between H. L. Stewart and A. Ward of Macon County, North Carolina, parties of the first part, and H. C. Keller and John Phillips, of Avery and Mitchell Counties respectively, parties of the second part,

W I T N E S S E T H:

That for and in consideration of the sum of Ten ($10.00) Dollars in hand paid by the parties hereto each to the other, the receipt of which is hereby acknowledged, the said parties hereto do hereby contract and agree:

1. It is agreed by the parties hereto that the parties of the first part are the lessees and owners of that certain mining lease made the 30th day of December, 1952, by Emma Reid, Single, party of the first part, which mining lease is made a part of this agreement as though the same were herein copied verbatim, and which mining lease covers a tract or parcel of land in Millshoal Township, Macon County, North Carolina, and more particularly described as follows:

> Being the tract of land situated on the North side of Nataugа Creek on which is situated the "Reid" Mica Mine, adjoining the land on which is situated the "Bouie" Mica Mine. It being understood and agreed that this lease shall cover and include only so much of said tract of land as is reasonably necessary and convenient to work the present "Reid" Mica Mine to the extent that it may develop.

2. It is agreed by the parties hereto that H. C. Keller and John Phillips, parties of the second part, are the owners of a one-half interest in all the mining rights and privileges set forth and contained in said lease hereinbefore referred to.

That Is To Say, That H. C. Keller has a one-fourth interest in said lease, and John Phillips a one-fourth interest in said lease, and H. L. Stewart a one-fourth interest in said lease, and A. Ward a one-fourth interest in said lease.

3. It is agreed by the parties hereto that the parties of the second part shall furnish an air compresser, pump, hoist, and certain other

mining equipment agreed upon by the parties hereto, and that such air compressor, pump, hoist, and all of the mining equipment shall be maintained in a good state of repair at the expense of all the parties hereto.

4. It is further agreed by the parties hereto that all the parties hereto shall pay all labor, gas, oil, and other expenses, including Workmen's Compensation and other insurance necessary and proper in the operation of the mine or mines leased and set forth in the mining lease hereinbefore referred to.

5. It is agreed by the parties hereto that each of the parties hereto shall have a one-fourth undivided interest in the gross proceeds derived from the mining operation carried on under the terms of the lease hereinbefore referred to.

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

H. L. Stewart (SEAL)
H. L. Stewart, Party of the First Part

A. W. Ward (SEAL)
A. Ward, Party of the First Part

H C Keller (SEAL)
H. C. Keller, Party of the Second Part

John Phillips (SEAL)
John Phillips, Party of the Second Part

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 3 1954

NORTH CAROLINA
MACON COUNTY

THIS MINING LEASE, Made and entered into this the 30th day of December, 1952, by and between EMMA REID, single, party of the first part, and H. L. STEWART and A. WARD, parties of the second part, all of Macon County, North Carolina,

W I T N E S S E T H

That subject to the terms and conditions hereinafter set forth, said party of the first part has let and leased and by these presents does hereby let and lease unto said parties of the second part the exclusive right andprivilege to mine, dig, mill, process and remove all mica and other minerals, ores and stones now in, under or upon a certain tract or parcel of land in Millshoal Township, Macon County, North Carolina, and more particularly described as follows:

> Being the tract of land situated on the North side of Watauga Creek on which is situated the "Reid" Mica mine, adjoining the land on which is situated the "Bouie" Mica Mine. It being understood and agreed that this lease shall cover and include only so much of said tract of land as is reasonably necessary and convenient to work the present "Reid" Mica Mine to the extent that it may develop.

The terms and conditions of this lease are as follows:

Unless sooner terminated as herein provided, this lease shall exist and continue until the 30th day of December, 1954, with the right of extension as hereinafter stated.

As rental, parties of the second part shall pay to party of the first part one-eighth (12½%) of the price that all mica is sold for, and one-tenth (10%) of the price that all other minerals that may be removed are sold for. In this connection it is expressly understood and agreed that this lease is primarily for the purpose of mining and removing mica and that parties of the second part shall have the right to remove other minerals but shall not be required to do so.

All rentals shall be paid monthly on or before the 10th day of each month for all sums due for the previous month.

Parties of the second part shall keep a correct record of all operations and transactions under this lease and such records may be at any reasonable time inspected by party of the first part or her duly authorized representative for the purpose of determining the amount of rentals due.

Parties of the second part shall work said mine in a good workmanlike manner, and failure to begin work within sixty days from the date hereof and the failure to work same for any period of sixty successive days shall terminate thislease.

So long as this lease remains in force, parties of the secondpart shall in connection therewith have and enjoy the following rights and privileges:

1. The right to use the surface of said land to the full extent that such use is reasonably convenient or necessary in mining the present "Reid" mica mine and to the full extent that said mine may be developed, provided, that no operations shall be on the South side of said Watauga Creek, ~~and~~ and all dumpings shall be toward the Creek.

2. The right to construct and place upon said land buildings and machinery and to remove the same.

3. The right to construct and maintain a road from the Sanders Town Graveled Road to said Mica Mine down the South side of Watauga Creek and thenacross said creek to said Mine, and to use said road to the full extent that same is reasonably necessary or conveninet.

It is understood and agreed that the parties of the second part shall have the right to extend the terms of this lease for an additional period of two years, beginning on the 30th day of December, 1954, provided the parties of the second part notify

in writing the said party of the first part of their intention to extend same, said notice to be given at least thirty days prior to the 30th day of December, 1954, andprovided, further, that this lease has not been sooner terminated as hereinabove set forth.

This lease shall not be transferred or assigned without the consent of party of the first part in writing first had and obtained.

IN TESTIMONY WHEREOF, saidparties have executed this lease in duplicate originals, one of which is retained by each of the parties, the day and year first above written.

Emma Kid (SEAL)
Party of the first part.

H. L. Stewart (SEAL)

A. Ward (SEAL)
Paryies of the second part.

Bull Dozer Work Prohibited
Creek Will not be interfered with
Must Stay in Some run
Mica from this mine
Must not go on Jim Berry's
Property to be Sheeted

NORTH CAROLINA
MACON COUNTY

I, J. H. Dean, Notary Public in and for the aforesaid County and State, do hereby certify that EMMA REID, single; H. L. Stewart and A. Ward personally appeared before me this day and acknowledged the due execution by them of the annexed and foregoing Lease Agreement for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 31 day of December, 1952.

(Seal)

J. H. Dean
Notary Public
Macon County
North Carolina

My Com. Expires: Aug 20 1954.

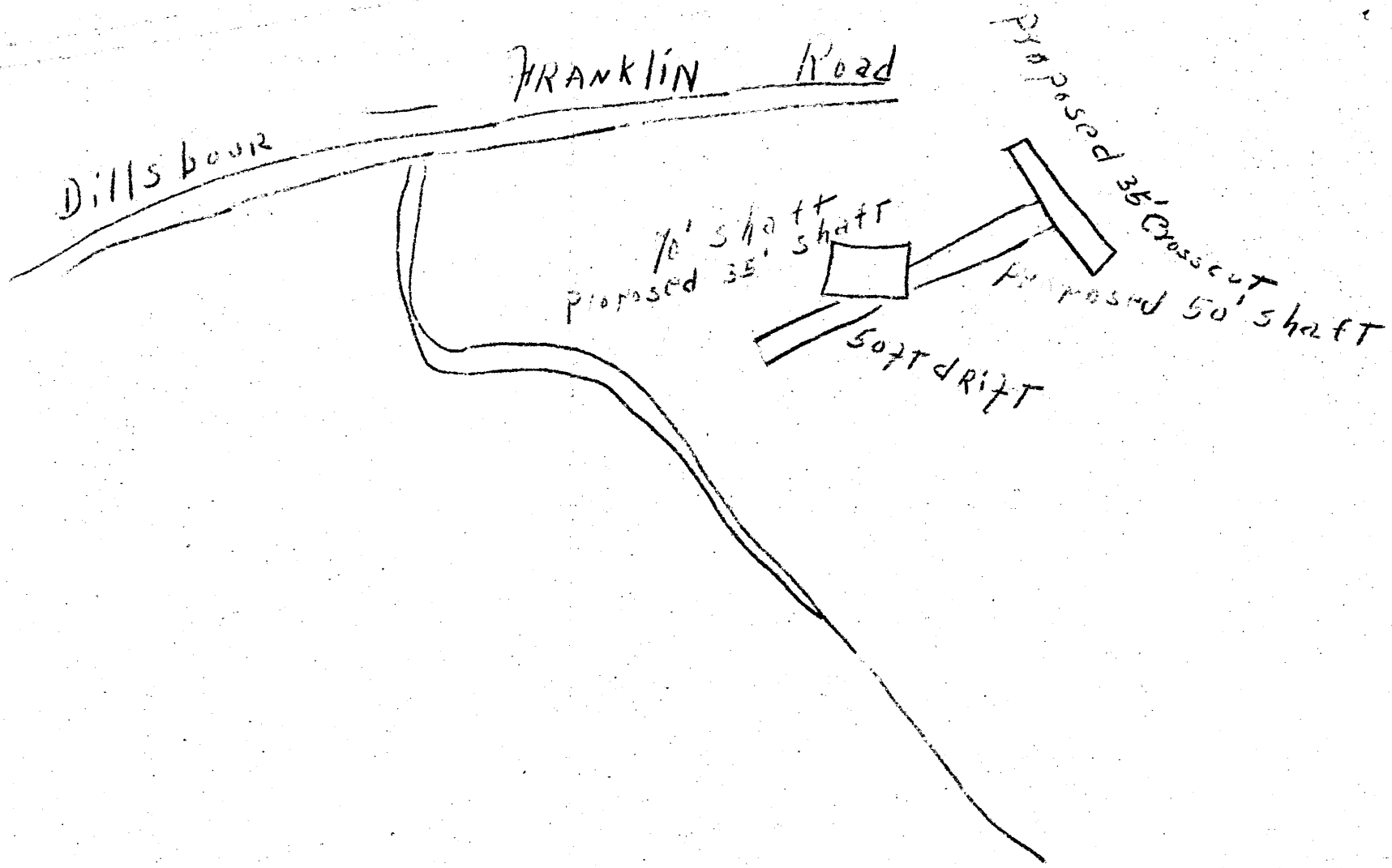
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

OFFICIAL BUSINESS

~~Mr. George C. Selfridge, Chairman
Operating Committee, DMEA.
Dept. of the Interior
Washington 25, D.C.~~

DMEA-3249

John Phillips, et al.


Franklin Road
Dillsboro
70' shaft
proposed 35' shaft
50ft drift
Proposed 35' Crosscut
Proposed 50' shaft