DMA Form

DEFENSE MINERALS ADMINISTRATION
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CONTROLLED DOCUMENT

DMA Docket No. 3302

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To:	600	Date	4/7/54
To:	Anderson	Date	4/8/54
To:	Oper Com	Date	4-28-54
To:	Oper Com	Date	7-9-54
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DMEA 3302

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	4/7/54
2	CONTRACT	DATE	7/12/54
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3302

COMMODITY Mica

Docket Copy

IDM-E 683

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 12th day of July, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam Smith, Jr., Stewart Cook, and David Dugger, Partners
C/o Sam Smith, Jr.
Ingalls, North Carolina

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

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

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

the Operator represents and undertakes:[4]

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

as set forth in Annex I,

(*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 Five (5) 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 75 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 $3,309.75, which is 75 percent of $4,413.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. **See Annex II substituted for Article 6.**

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

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

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

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Sam Smith Jr (Partner)
(Operator)

By Stewart Cook (Partner)

By David Duggan (Partner)

By C O Mitchenor
Administrator, Defense Minerals Exploration Administration

Porter
Hoffman
Talbert
Henk

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
SAM SMITH, JR., STEWART COOK AND DAVID DUGGER
DOCKET NO. [illegible]

ANNEX I

The land referred to in Article 2 of the contract form and in Annex II attached to the contract is known as the Brown Ingram-Gerald Banfield Mine. The mineral rights are owned by Sam Smith, Jr. and wife, Sibyl Smith. Two-thirds interest in the mineral rights was leased to Stewart Cook and David Dugger (for a period of five years with option to renew for five years) by Sam Smith, Jr. and wife, Sibyl Smith, by an instrument dated April 1, 1954. An Owner's Consent-to-Lien executed by Sam Smith, Jr. and wife, Sibyl Smith, is attached. The land is located 1.6 airline miles N. 35° East of Ingalls, Avery County, North Carolina and is bounded as follows:

> Beginning on a stake beside the road, corner of the Bunk Hodge tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wissman line; thence with the Mary Justice line south 67 degrees west 500 feet to the BEGINNING, and containing 17 acres, more or less.

EXPLORATION PROJECT CONTRACT
SAM SMITH, JR., STEWART COOK AND DAVID DUGGER
DOCKET NO. DMEA-3302

ANNEX II

The following provisions are in lieu of Article 6:

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the 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. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, 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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; 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.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is 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.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

EXPLORATION PROJECT CONTRACT
SAM SMITH, JR., STEWART COOK AND DAVID DOGGER
DOCKET NO. DMMA-3302

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area on the attached map entitled "Sketch of Ingram-Benfield Mine, Avery Co., N.C. DMMA-3302," in two stages as follows:

Stage I

Strip the pegmatite outcrop for about 100 feet with a bulldozer.

Stage II

If, after examination of the pegmatite outcrop, the Government approves the undertaking of Stage II:

(1) Construct: a 10 feet by 12 feet toolhouse, a powder magazine, and an exploder magazine; and

(2) Drive not more than 100 feet of incline and/or drift down the dip of the pegmatite.

The drift and/or incline shall be timbered where necessary, and shall be 5 feet by 7 feet in the clear of timber.

The location, inclination, direction, and extent of all work are subject to the approval of the Government.

Agreed Unit Costs

Bulldozing - 30 hours @ $10.00/hr.	$300.00	
Constructing - Toolhouse 1/	75.00	
Powder magazine 1/	85.00	
Exploder magazine 1/	13.00	
Driving 100 ft. of incline and/or drift @ $40.00/ft.	4,000.00	
Agreed estimated Total Cost of Project		$4,413.00
Government Participation @ 75%		$3,309.75

1/ The completed work constitutes the unit.

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 Avery, described as follows:1/ Beginning on a stake beside the road, corner of the Maude McGee tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wiseman line; thence with the Mary Justice line south 67 degrees west 500 feet to the BEGINNING, and containing 17 acres, more or less.

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/ Sam Smith, Jr., Stewart Cook and David Dugger, partners

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 _____ day of _____, 195___.

Sam Smith Jr [Seal]

Sibyl Smith [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.

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 (including any bonuses), 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

Docket Copy
Surname:
Anderson
Houk
Chambers

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

MAR 11 1955

Mr. Sam Smith, Jr., et al.

Ingalls, North Carolina

Re: Docket No. DMEA-3302 - Mica
Sam Smith, Jr., et al.
Brown Ingram and Harold Benfield Mine
Avery County, North Carolina
Contract No. Idm-E683

Dear Mr. Smith:

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,

C. O. Mittendorf

Administrator

WCAnderson:gad 3/11/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. and Mrs. Sam Smith, Jr., Ingalls, North Carolina
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.h.

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

Project Summary Report

By: Walter C. Anderson WCA March 10, 1955

1. Docket No. DMEA-3302 - Mica
Contract No. Idm-E683
Brown Ingram-Harold Benfield Mine
Avery County, North Carolina

Operators: Sam Smith, Jr., Stewart Cook and David Dugger, Partners
C/O Sam Smith, Jr.
Ingalls, North Carolina

Application: Form MF-103 (April 1952), received April 7, 1954.
Work proposed - Explore pegmatite entirely by quarrying method. Amount requested - $9,664.00

Operators' property rights:
Mineral rights owned by Sam Smith, Jr. and wife, Sybil Smith, 2/3 interest in mineral rights leased to Stewart Cook and David Dugger for period of five years with option to renew for five years - dated April 1, 1954.
Owner's Consent to Lien, dated April 21, 1954.

2. Contract - Form 200(A) (February, 1952) dated July 12, 1954.

Work authorized:	
Bulldoze pegmatite outcrop	$300.00
Construct toolhouse, powder and exploder magazines	113.00
Drive 100 feet of incline and/or drift @ $40.00/ft.	4,000.00
Total agreed unit costs	$4,413.00
Government participation @ 75%	$3,309.75

Amendments - none.

Work completed:	
Bulldozing pegmatite outcrop	$300.00
Construction - toolhouse, powder and exploder magazines	113.00
100 feet of drift @ $40.00/ft.	4,000.00
Total accepted cost	$4,413.00
Government participation @ 75%	$3,309.75

Work began on August 5, 1954, and completed November 30, 1954. Field Team Final Report, received December 27, 1954. Operators' Final Report received December 27, 1954. Mica produced and sold during project:

10 pounds trimmed sheet mica	$146.54
1,460 pounds scrap mica	21.90
Total	$168.44
Royalty paid the Government	$ 8.42

No equipment purchased under contract.

3. Audit - Report of Review issued January 5, 1955.

Accepted cost	$4,413.00
Government participation	$3,309.75

4. Certification of discovery - none issued.

5. Comments:

How conducted - all the work in which the Government participated was acceptable. There is question whether the work should have continued on an unzoned pegmatite.

Operation - the compentency of the Operators was satisfactory. Slow at first, but finished the work on schedule.

Engineering - reporting by Operators was acceptable.

Geological premise: The premise that paying quantities of strategic mica would be found in a low-dipping sill-like pegmatite did not materialize as the pegmatite pinched to six inches at the head of a 100-foot adit and was barren of mica except for a small pocket near the portal.

Geological criteria upon which work was based:
1. Unweathered, unzoned, sill-like, low-dipping pegmatite 8-feet thick at outcrop.
2. Strategic mica; green, hard, free splitting and clear. Books up to 8 inches across.
3. Past production - according to statement by Operators in application.

Criteria developed during project:
1. Pegmatite pinched to 8 inches in thickness.
2. Pegmatite barren of mica except for small pocket near adit portal.

Future possibilities - reserves negligible. Operators will not do additional work due to scarcity of mica in the pegmatite.

Recommendations - The Nonmetallic Minerals Division concurs in Field Team's recommendation that no further work is warranted and that a certification of discovery should not be issued. The Bureau of Mines and the Geological Survey are in agreement.

IN REPLY REFER TO:

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

January 14, 1955

DMEA Docket 3302 (Mica)
Ingram-Benfield mine
Avery County, N. C.
Contract Idm-E683

Memorandum

To: Mr. L. G. Houk, Chief, Nonmetallic Minerals Division, Defense Minerals Exploration Administration

From: Thor H. Kiilsgaard, U. S. Geological Survey

Subject: Review of Field Team Final Report

Exploration completed under the project consisted of stripping the outcrop of a pegmatite with 150 feet of bulldozer trenching and the driving of a 100-foot adit, which drifted on the pegmatite. This work revealed the pegmatite to be a low-dipping, sill-like body that is conformable with foliation of the enclosing biotite gneiss. The pegmatite was found to be about 8 foot thick in the dozer trench but to narrow to a thickness of 6 inches at the face of the adit. No further exploration is recommended.

Ten pounds of trimmed mica and 1460 pounds of scrap mica were produced during project work. This production is regarded as inconsequental by the Field Team who recommend that no certification of discovery be issued to the operator.

In view of the poor exploration findings and the limited amount of mica produced, I concur with the Field Team and recommend that no certification of discovery be issued.

Thor H. Kiilsgaard

Thor H. Kiilsgaard
Geologist

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

Defense Minerals Administration
Received
JAN 14 1955

January 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3302 (mica)

Applicant: Sam Smith, Stewart Cook, and David Dugger

Name and Location of Property: Ingram-Benfield Mine
Avery County, North Carolina

Contract Number: Idm-E 683

Date of Field Team Final Report: December 22, 1954

Date Rec'd. by Branch of Ceramic & Fert. Mtls.: January 7, 1955

Field Team Recommendation:

1. No certification.

Comments:

1. Most strategic mica was obtained from bulldozing.
2. Reserves of strategic mica are estimated to be negligible.
3. Expenditures - Total approved $4,413.00
   Total cost 4,413.00
   Government's share 3,309.75
   Value of production during oper. 168.44

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1000 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Reports, DMEA-3302, Idm-E 683 (mica) Sam Smith, Jr., Stewart Cook & David Dugger, Ingram-Benfield Mine, Avery County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject exploration project contract.

Very little mica was discovered by the project and we agree with the recommendation that certification should not be issued.

Kefton H. Teague
for Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Reviewed by
DMEA OPERATING COMMITTEE
1-3-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM, REGION VII

On

DMEA-3302, INGRAM-BENFIELD MINE
(mica)
Avery County, North Carolina

BY

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE

1-3-55
(date)

RECEIVED
DEC 28 1954

FINAL REPORT

DMEA-3302, Idm-E 683, INGRAM-BENFIELD MINE (mica)

Operator: Sam Smith, Jr., Stewart Cook and David Dugger, Ptnrs.
c/o Sam Smith, Jr. Ingalls, N. C.

Location: 1.6 airline miles N. 35° E. of Ingalls, N. C.

Work completed under the contract consisted of stripping a pegmatite with a bulldozer, constructing a toolhouse and two magazines, and driving 100 feet of drift. As only a limited quantity of strategic mica was recovered, from this work, no certification of discovery should be issued. No additional exploratory work is warranted.

Work began on August 5, 1954 and was completed on November 30, 1954. The pegmatite was stripped with a bulldozer for about 150 feet along its strike. This required about 30 equipment hours and some spot blasting. A toohouse, powder magasine and exploder magazine were constructed. A 100-foot adit, beginning at a point 30 feet north of the existing main adit, was driven as follows: first 37 feet in a N. 65° E direction, next 38 feet S. 65° E., and last 25 feet S. 75° E.

A low dipping, sill-like pegmatite is exposed in the drift. It pinches and swells along the strike with the average thickness decreasing eastward. At and near the portal of the drift the body is about 8 feet thick but at the head of the drift it only averages about 6 inches. The pegmatite is conformable to the foliation of the enclosing country rock, semi-weathered biotite gneiss, which strikes north-south and dips 5-10° to the east. It consists of medium-to coarse-grained plagioclase, perthite, quartz, muscovite and garnet. No zoning is apparent.

The mica tends to be concentrated along both walls in the thicker portions of the pegmatite. It is green-colored, generally clear and hard. The chief defects are cracks and "hairlines"; the latter develops shortly after mining. A total of 10 pounds of trimmed sheet mica worth $146.54 has been sold from mica recovered from work done under the contract. Most was obtained from the dozing. The quality and sizes of this mica was as follows:

	Good Stained & Better	Stained
Nos. 4 & 5	1.04 lbs.	0.33 lbs
Nos. 5½ & 6	6.21 lbs.	2.42 "

A total of 1460 pounds of scrap worth $21.90 has also been sold.

Reserves revealed by work done under the contract are negligible.

Expenditures:

(a)	Total approved	$4413.00
(b)	Total cost of project	4413.00
(c)	Government's share of cost	3309.75
(d)	Government's share unexpended	none
(e)	Value of production during oper.	168.44
(f)	Royalty received to date	8.42

The work was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

December 21, 1954.

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

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

Final Report on Exploration Project

DMMA-3202 IDM-E-663

Sam Smith Jr, Stewart Cook, & Dave Dugger
% Sam Smith Jr. Ingalls, N. C.

DEPARTMENT
Lessee Min
R
DEC 6 1954

Started work August 6, 1954.

We bulldozed 30 hours, cleared out location for machinery, hauled in and set down machinery. Found Pegmetite and got around 1500 pounds small block mica, which we had processed and sold 10 pounds to the U.S. Mica Depot, the remainder was scrap mica and was sold. Sales tickets for the two sales are herewith attached and amounted to a total of $168.44.

We continued to follow the pegmetite, drilling, shooting, laying track line, water & air line as needed. We built Tool House, Powder Magazine, and Exploder Magazine.

Pegmetite continued to show and looked very promising the entire time but it never produced any more mica. In all, we drilled an total of 100 feet in good looking rock but no mica after the first small pocket in the first week.

We finished out our contract on November 31, 1954 without making a strick, therefore, we herewith terminate our contract as of Nov. 31, 1954.

We are attaching $8.42 to cover the 5% due the Treasury of the U.S. Government along with the copies of mica sales made.

Dated 12-17-54 Same Smith, Jr. Stewart Cook & Dave Dugger.

Signed Sam Smith Jr
Sam Smith, Jr.
Stewart Cook
David Dugger

Position MANAGER

Final Report on Exploration Project

DSEA-3302 EXL-2-383

Sam Smith Jr, Stewart Cook, & Dave Dugger
% Sam Smith Jr. Ingalls, N. C.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 17 1934

Started work August 6, 1934.

We bulldozed 30 hours, cleared out location for machinery, hauled in and set down machinery. Found Pegmatite and got around 1500 pounds small block mica, which we had processed and sold 10 pounds to the U.S. Mica Depot, the remainder was scrap mica and was sold. Sales tickets for the two sales are herewith attached and amounted to a total of $160.64.

We continued to follow the pegmatite, drilling, shooting, laying track line, water & air line as needed. We built Tool House, Powder Magazine, and Exploder Magazine.

Pegmatite continued to show and looked very promising the entire time but it never produced any more mica. In all, we drilled an total of 100 feet in good looking rock but no mica after the first small pocket in the first week.

We finished out our contract on November 31, 1934 without striking a strick, therefore, we herewith terminate our contract as of Nov. 31, 1934.

We are attaching $8.48 to cover the 5% due the Treasury of the U.S. Government along with the copies of mica sales made.

Dated 12-17-34 Sam Smith, Jr. Stewart Cook & Dave Dugger.

Signed Sam Smith Jr
Sam Smith, Jr.
Stewart Cook
David Dugger

Position MANAGER

Final Report on Exploration Project

DSM.-5303 [illegible]-I-003

Sam Smith Jr, Stewart Cook, & Dave Hagger
% Sam Smith Jr. Ingalls, N. C.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 6 1954

Started work August 8, 1954.

We bulldozed 50 hours, cleared one location for machinery, hauled in and set down machinery. Found Pegmatite and got around 1000 pounds small block mica, which we had processed and sold 10 pounds to the U.S. Mica Depot, the remainder was scrap mica and was sold. Sales tickets for the two sales are herewith attached and amounted to a total of $160.66.

We continued to follow the pegmatite, drilling, shooting, laying track line, water & air line as needed. We built Tool House, Powder Magazine, and Exploser Magazine.

Pegmatite continued to show and looked very promising the entire time but it never produced any more mica. In all, we drilled an total of 100 feet in good looking rock but no mica after the first small pocket in the first rock.

We finished out our contract on November 31, 1954 without making a strike. Therefore, we herewith terminate our contract as of Nov. 31, 1954.

We are attaching $2.62 to cover the 5% due the Treasury of the U.S. Government along with the copies of mica sales made.

Dated 12-17-54 Sam Smith, Jr. Stewart Cook & Dave Hagger.

Signed Sam Smith Jr
Sam Smith, Jr.
Stewart Cook
David Hagger

Position MANAGER

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

December 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Reports, DMEA-3302, Idm-E 683 (mica) Sam Smith, Jr., Stewart Cook & David Dugger, Ingram-Benfield Mine, Avery County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject exploration project contract.

Very little mica was discovered by the project and we agree with the recommendation that certification should not be issued.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

RAL/sm
cc:
Beck
Shirley
Files

Final Report on Exploration Project

DMEA-3302 IDM-E-683

Sam Smith Jr, Stewart Cook, & Dave Dugger
% Sam Smith Jr. Ingalls, N. C.

DEPARTMENT OF THE
Bureau of Mines
RECEIVED
DEC 20 1954

Started work August 5, 1954.

We bulldozed 30 hours, cleared out location for machinery, hauled in and set down machinery. Found Pegmetite and got around 1500 pounds small block mica, which we had processed and sold 10 pounds to the U.S. Mica Depot, the remainder was scrap mica and was sold. Sales tickets for the two sales are herewith attached and amounted to a total of $168.44.

We continued to follow the pegmetite, drilling, shooting, laying track line, water & air line as needed. We built Tool House, Powder Magazine, and Exploder Magazine.

Pegmetite continued to show and looked very promising the entire time but it never produced any more mica. In all, we drilled an total of 100 feet in good looking rock but no mica after the first small pocket in the first week.

We finished out our contract on November 31, 1954 without making a strick, therefore, we herewith terminate our contract as of Nov. 31, 1954.

We are attaching $8.42 to cover the 5% due the Treasury of the U.S. Government along with the copies of mica sales made.

Dated 12-17-54 Same Smith, Jr. Stewart Cook & Dave Dugger.

Signed Sam Smith Jr
Sam Smith, Jr.
Stewart Cook
David Dugger

Position MANAGER

Bureau of Mines Administration
RECEIVED
DEC 1 3 1954

INTERIM REPORT

DMEA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

This contract has been completed without making a sizeable discovery of strategic mica. The operator does not indicate that any additional work will be performed at his own expense, due to the scarcity of mica and the poor showing of the pegmatite in last work.

The contract consisted of stripping the outcrop for 100 feet by bulldozer, which required 30 hours of machine time. A tool house, powder magazine and cap magazine were constructed and used throughout the exploration. 100 feet of drift was driven; 37' N 65° E, 38' S 65° E, and 25' S 75° E. All of the work followed pegmatite, whose thickness varied considerably. Material encountered consisted of both pegmatite and country rock. The pegmatite was composed largely of kaolinized feldspar, quartz and green muscovite mica. The mica recovered was hard and clear, but rather badly hair cracked. At least two small sales of mica was made to the GSA Mica Depot, Spruce Pine, N. C.

The project moved rather slowly at the beginning of the contract but work was performed satisfactorily. The operators were cooperative at all times with the Field Examiners.

L. E. Shirley

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

D. H. Amos

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

November 30, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

INTERIM REPORT

DMEA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

Drifting continues on this contract and is now at 57 feet. The operator was advised to continue advancing the drift in the present direction.

Since the Interim Report of November 3, 1954 an advance of 16 feet has been made, 14 feet of which was driven S 60° E in both pegmatite and biotite gneiss. Pegmatite composition has not changed appreciably and is primarily kaolinized feldspar, minor quartz and green muscovite mica. Several stringers were observed in the present face.

Some timber work in the form of stulls has been accomplished. Suggestions were made for doing other timber work in the drift and at the portal.

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

November 16, 1954

INTERIM REPORT

DMEA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners
c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

Drifting continues on this contract and is now at 41 feet. The operator was advised to turn the drift more to the east and continue driving until another visit can be made.

Recent drift work has encountered both pegmatite and country rock, a biotite gneiss. The body is feldspathic and contains blocks of green mica in varying sizes. Hair cracks develop in the mica early after mining and the operators have found it necessary to process the mica shortly after removal from the pegmatite. The drift has been driven in a N 50° E direction to its present face, but the operator was advised to turn to N 80° E in order to mine more pegmatite and less country rock.

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

November 3, 1954

Office of the
Defense Minerals Administrator
RECEIVED
OCT 29 1954

INTERIM REPORT

DMEA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, North Carolina

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

No progress has been made on this contract for the past two week interim. No one was present at the mine at the time of this visit and the operators could not be contacted.

L. E. Shirley (MB)
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

October 20, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

INTERIM REPORT

DMRA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

Drifting continues slowly on this contract and is now at 26 feet. Drilling was in progress during this visit and the operators stated that they intend to work steadily during the current month.

No change in the material from that already reported was noted. More mica was evident in the roof area, but the face still contains inclusions of biotite schist.

The operators were advised to timber the portal as soon as practicable, and to keep the working area barred down at all times.

Mr. W. A. Beck, member of the 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

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

October 6, 1954

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
OCT - 4 1954

INTERIM REPORT

DMEA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook, and David Dugger, Partners
c/o Sam Smith, Jr., Ingalls, N. C.

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

No progress is reportable on this contract for the past two weeks due to seasonal labor layoffs for harvesting crops and compressor trouble. Contact with the operator indicates that another compressor has been obtained and that work would resume during the current week.

The operator was advised to timber the portal properly and to bar down all loose material in the drift before attempting any additional drift work.

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

September 23, 1954

SEP 20 1954

INTERIM REPORT

DMEA-3302 Idm-E683 (mica) INGRAM-BENFIELD MINE

OPERATOR: Sam Smith, Jr., Stewart Cook and David Dugger, Partners, c/o Sam Smith, Jr., Ingalls, North Carolina.

LOCATION: 1.6 airline miles N 35° E of Ingalls, Avery County, N. C.

Drifting is underway on this contract and has advanced 26 feet to the northwest. Toolhouse and magazine construction is nearing completion.

Material encountered is primarily pegmatite containing large massives of biotite schist. Mica recovery has been scant in the drift work to date, but one sale of processed mica has been made and another sale is anticipated within the week. The operator was advised to continue the drift with a gradual change in direction.

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

September 7, 1954

INTERIM REPORT

DMEA-3302, Idm-E 683, INGRAM-BENFIELD MINE
(mica)

Operator: Sam Smith, Jr., Stewart Cook and David Dugger, partners, c/o Sam Smith, Jr. Ingalls, North Carolina

Location: 1.6 airline miles N. 35° E. of Ingalls, Avery County, N. C.

Incline sinking has begun on this contract and has been advanced about 5 feet to the east in pegmatite. A small amount of fair quality mica was recovered from this work.

Construction of a toolhouse has been started.

The Operator was advised to continue to advance the incline eastward.

Progress on the contract is satisfactory.

Examined: August 25, 1954

D. H. Amos

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

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

August 17, 1954

Mr. Sam Smith, Jr.

Ingalls, North Carolina

Re: DMEA-3302, Idm-E 683 (mica)
Ingram-Benfield Mine

Dear Mr. Smith:

This will confirm the verbal authorization given you last week to proceed with Stage II of the exploratory work at the Ingram-Benfield mine, as provided in the subject exploration contract.

Very truly yours,

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

RAL/sm
Beck
Lynch
Opr. Com.-2
Files

INTERIM REPORT

DMEA-3302, Idm-E 683, INGRAM-BENFIELD MINE
(mica)

Operator: Sam Smith, Jr., Stewart Cook and David Dugger, partners
c/o Sam Smith, Jr. Ingalls, North Carolina

Location: 1.6 airline miles N. 35° E. of Ingalls, Avery County, N. C.

Stage I of this contract has been completed. The pegmatite outcrop was stripped for a distance of about 150 feet with a bulldozer and some blasting. An unzoned pegmatite up to 8 feet thick was exposed by this work. About 4000 pounds of fair quality "mine-run" mica was recovered during Stage I. The chief defects are small size, cracks, and hair-cracks. Most came from the vicinity of the portal of the existing main adit.

Location site for an incline to be driven under Stage II of the contract was chosen about 30 feet north of the main existing adit by the field examiners.

Date of Exam: August 12, 1954

K. H. Teague D. H. Amos

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

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

July 19, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Signed Contract: Idm-E 683, DMEA-3302, Sam Smith, et al. (mica)

Transmitted herewith are three signed copies of the subject contract with Owner's Consent to Lien attached. The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

DOCKET FILE
Surname:
Carlson
Fink
Talbert
Selfridge
Johnson

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

JUL 12 1954

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

Subject: Docket No. DMEA-3302 - Mica
Sam Smith, Jr., Stewart Cook,
and David Dugger
Brown Ingram and Harold Benfield
Mine
Avery 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. It is subject to the attachment of new Owner's Consent to Lien forms, executed by Sam Smith, Jr., and his wife, Sibyl Smith. A copy of memorandum from the Legal Division is enclosed.

If the contract meets with your approval present it to the Operators for approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are 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 Operators 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, dated June 3, 1954, and from the Bureau of Mines, dated June 15, 1954, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

Philip W. Guild (JHB)
Member, Geological Survey

Enclosures 17

LGHouk:gad 7/2/54

Copy to: Admr. R. File
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Docket File
Operating Committee
Mr. Houk

R.C.J.

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 3302

COMMODITY Mica

Docket copy

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam Smith, Jr., Stewart Cook and David Dugger, partners
c/o Sam Smith, Jr.
Ingalls, North Carolina

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

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

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

the Operator represents and undertakes:[4]

That Sam Smith, Jr. is owner of an undivided one-half interest in the mineral rights and with his wife, Sibyl, has leased a two-third interest in the mineral rights to his partners, Stewart Cook and David Dugger, and

(*b*) That the Operator is a [redacted] 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 Five (5) 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 75 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 $3,309.75 which is 75 percent of $4,413.00 the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex II substituted for Article 6

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

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

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____ Partner

(Seal)

By _____

Administrator, Defense Minerals Exploration Administration

By _____ Partner

Partner

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

_____ [CORPORATE SEAL]

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

File copy
Surname

Rubin
Hofflund

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

June 29, 1954

Memorandum

To: The Administrator Through: L. G. Houk

From: Acting Assistant Solicitor, DMEA

Subject: Docket No. DMEA-3302, Sam Smith, Stewart Cook and David Dugger, Partners (Mica)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of new Owner's Consent-to-Lien forms, executed by Sam Smith, Jr., and his wife, Sibyl Smith. The appropriate forms are attached to this memorandum.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments
HCRubin:lm - 6-29-54

Copies to: Docket
L. G. Houk (2)
J.L. Hofflund
H.C. Rubin
Chron.

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

June 29, 1954

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J. L. Hofflund
Acting Assistant Solicitor

Attachments

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

June 29, 1954

Memorandum

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From: Acting Assistant Solicitor, DMEA

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments

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

June 15, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3302 (mica)

Applicant: Sam Smith, Jr., Stewart Cook, and Dave Dugger

Name and Location of Property: Brown Ingram-Harold Benfield Mine
Avery County, North Carolina

Date of Field Team Report: May 20, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: June 3, 1954

Field Team Recommendation:

1. Approval of 2-stage exploration program in the amount of $4,525.

Comments:

1. Examination of the property disclosed the existence of strategic grade green mica and a good possibility of discovering a significant deposit.

2. The proposed method of prospecting is feasible and economical.

Recommendation:

I concur in the field team's recommendation for a 2-stage exploration project in the amount of $4,525, on the basis of the possibility of discovery of strategic grade mica.

Donald R. Irving

Donald R. Irving

IN REPLY REFER TO:

G-MD-CNM

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

Defense Min
JUN 8 1954

June 3, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3302 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Sam Smith, Jr., Ingalls, N. C., Stewart Cook and Dave Dugger, Elk Park, N. C.
Name of property: Brown Ingram-Harold Benfield Mine.
Location of property: Avery County, N. C.
Date of Field Team Report: May 25, 1954.
Authorship of Field Team Report: K. H. Teague, D. H. Amos, and L. E. Shirley.
Field Team's recommendation:

1. Bulldozing.
2. Buildings, incline or drift 100'

Total: $4,525

Comments: Good expectations for significant discovery.
Strategic mica is present.
Where do they expect to go down, with respect to old workings?

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 3, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 27, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report, DMEA-3302 (mica)
Brown-Ingram - Harold Benfield Mine, Avery County, N. C.

Enclosed are four copies of the subject examination report, and six extra copies of the map.

We are in agreement with the examiners' findings that the deposit is worth exploring and that the method proposed in the report is the most economical one. Therefore, we recommend approval of a contract to provide for the following work, in two stages, on a unit-cost basis:

Stage I.	Bulldozing, 30 hrs. @ $10/hr.	$ 300.00
Stage II.	Tool House	150.00
	Powder Magazine	50.00
	Exploder "	25.00
	Incline and/or drift, 100ft. @ $40/ft.	4,000.00
	Total	$4,525.00

We suggest that the unit for the bulldozer work be expressed in hours, rather than in linear feet or cubic yards. It is difficult to estimate the exact amount time required for bulldozing of this kind, and conversion to other units usually results in higher cost to the Government.

Robert A. Laurence

Robert A. Laurence

Wm. A. Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

7/6/54

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3302, Brown Ingram-Harold Benfield Mine
(mica)
Avery County, North Carolina

By

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

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

May 25, 1954

FIELD EXAMINATION REPORT

On

DMEA-3302, Brown Ingram-Harold Benfield Mine
(mica)

Applicants: Sam Smith, Jr., Ingalls, N. C., Stewart Cook and Dave Dugger, Elk Park, N. C.

This pegmatite has been worked by a series of adits down dip and along its strike. Mica of strategic grade is present. Evidence available for inspection indicates that the possibilities for the discovery of a significant deposit of strategic mica are good. Exploration assistance is recommended.

This deposit was examined on May 20, 1954. Messrs. Sam Smith, Jr., Stewart Cook, Dave Dugger and Brown Ingram accompanied the examiners on the inppection (in the rain) which required two hours.

The Ingram-Benfield Mine is 1.6 airline miles N. 35° E. of Ingalls, Avery County, North Carolina. Access is possible at all times by jeep.

The applicants appear competent to conduct the proposed exploration. One of the applicants (Mr. Smith) owns the property , area of which is adequate for the proposed project.

There are no surface facilities on the property. Workings that are accessible are shown on the attached sketch. In addition to the workings shown, caved and inaccessible adits and pits extend for 50 feet in a N. 40° W. direction from those shown. Their extent and length down the dip are not known.

These openings have been made in a low dipping sill-like pegmatite that strikes in the northern portion of the area about N. 40° W., and at the south end of the 150-foot adit about N. 30° E. Dips, where observed ranged between 10° and 20° east. The pegmatite thins and thickens on both strike and dip. Greatest thickness observed was about 8 feet which is near the portal of the accessible adit. Elsewhere it may thin to as little as six inches. In the thinner portions evidence of a small amount of shearing is present. The pegmatite is unweathered, but the enclosing biotite gneiss wall rock is semi-weathered.

The pegmatite is composed of plagioclase, perthite, quartz, muscovite, and red garnet. There is little evidence of zoning. Quartz occurs as pods up to 18 inches thick and 5 feet long, but they appear to be arranged at random throughout the pegmatite. The mica appears to be concentrated adjacent to the quartz pods and near both walls of the pegmatite. The feldspar is medium coarse.

The mica is green, hard, free splitting and clear. Some is curved and contains cracks. Books of mica up to 8 inches across are present. It is estimated that book mica constitutes between 3 and 5 percent of the pegmatite.

The applicants proposal represents essentially an open cut quarrying operation. The examiners are of the opinion that the best way to explore the deposit is to strip the pegmatite outcrop for about 100 feet with a bulldozer, after which the outcrop should be examined, then not more than 100 feet of incline and/or drift be driven down the dip of the pegmatite. This approach was discussed with the applicants and it is agreeable to them.

Estimated Cost:

Clear and level old dump and strip 100 feet of pegmatite outcrop.

Bulldozer, 30 hrs. @ $10/hr	$300.00	
Toolhouse (10' x 12')	150.00	
Powder magazine	50.00	
Explorder magazine	25.00	

100 feet incline and/or drift (40 shifts)

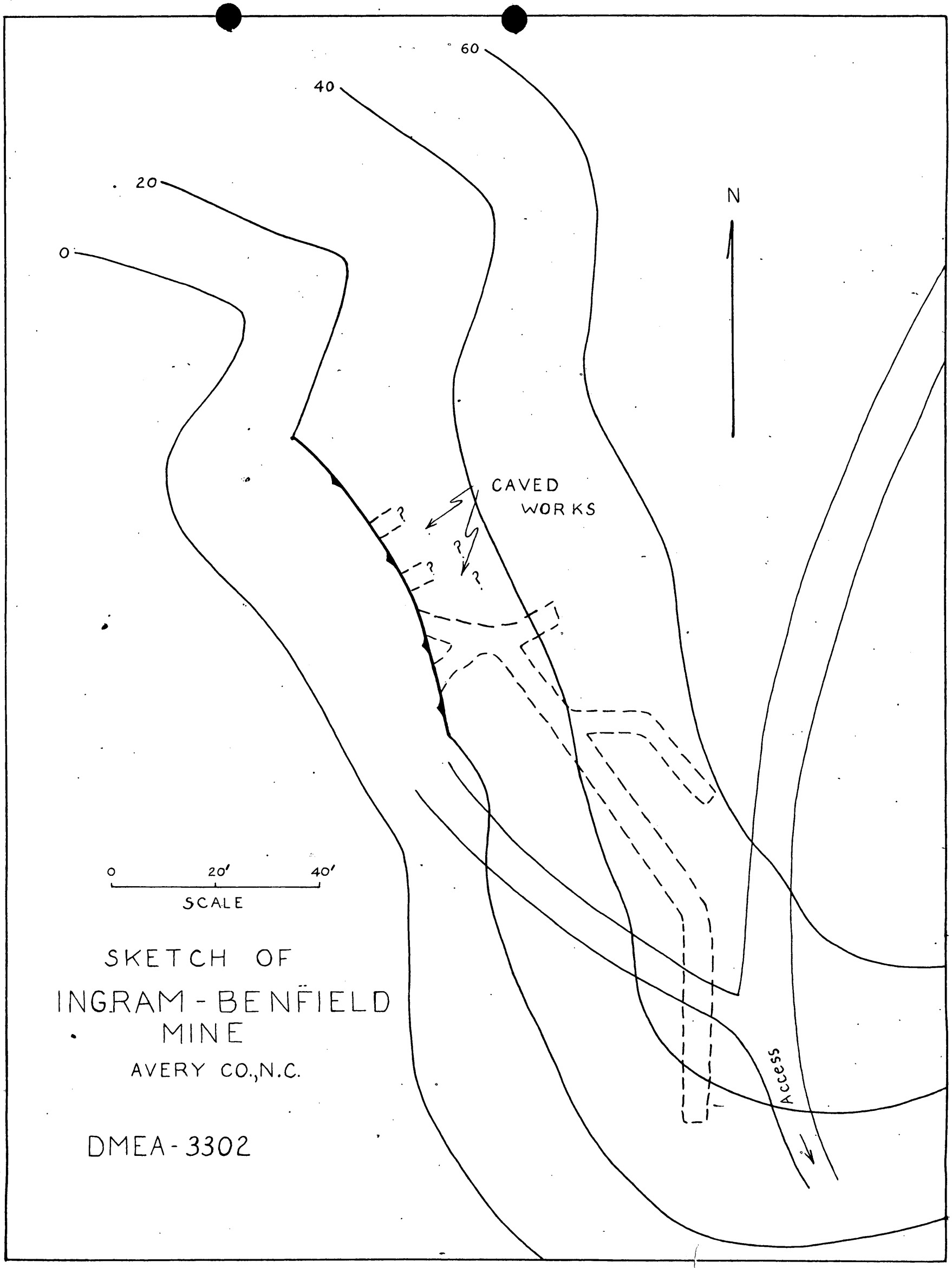
Labor and Supervision:		
1 - miner-foreman @ $1.50/hr.	$480.00	
1 - hoistman @ $1.25/hr.	400.00	
2 - Laborers @ $1/hr.	640.00	1520.00
Operating Material & Supplies:		
Timber, 1 M @ $70/M	70.00	
Explosives and caps	700.00	7.00 high
Gasoline & Oil	600.00	6.00 high
Drill steel	200.00	
Small tools and supplies	150.00	1920.00
Operating Equipment:		
Compressor & hammer @ $220/Mo.	440.00	
Hoist @ $50/Mo.	100.00	540.00
Miscellaneous:		
Insurance, Soc. Sec., etc.	200.00	200.00
		$3,980.00
Estimated Total Cost		$4,505.00

Rental $540.

May 20, 1954

K. H. Teague and D. H. Amos, Geologists, USGS.

L. E. Shirley, Mining Engineer, USBM.



SKETCH OF
INGRAM - BENFIELD
MINE
AVERY CO., N.C.

DMEA - 3302

File Copy
Surname:

Anderson
Blank
Martin

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

APR 28 1954

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

Subject: Docket No. DMEA-3302 - Miss Sam Smith, Jr., Stewart Cook, and David Dugger
Brown Ingram and Harold Benfield Mine
Avery 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 April 9, 1954, and from the Bureau of Mines, dated April 21, 1954, are enclosed for your information.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (24B)

Approved:

J. H. Hedges
Member, Bureau of Mines (24B)

D. M. Larrabee
Member, Geological Survey (24B)

Enclosures 4

WCAnderson:gad 4/27/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.B.

File Copy
Surname:

Anderson
Houk
Mountain
Larrabee
Hedges
Johnson

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

APR 28 1954

Mr. Sam Smith, Jr., et al.

Ingalls, North Carolina

Re: Docket No. DMEA-3302 - Mick
Brown Ingram and Harold Banfield Mine
Avery 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 (for)

Administrator

WCAnderson:gad 4/27/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

April 23, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: DMEA-3302, Brown Ingram & Harold Benfield Mine (mica) Avery Co., N. C.

Transmitted herewith are six copies of form MF-203 to be attached to the subject application which was mailed your office on April 5.

Robert A. Laurence

Robert A. Laurence

4-5

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 Avery, described as follows:1/

Beginning on a stake beside the road, corner of the Maude McGee tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wiseman line; thence with the Mary Justice line south 67 degrees west 500 feet to the BEGINNING, and containing 17 acres, more or less.

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/ Sam Smith, Jr., David Dugger and Stewart Cook

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 21st day of April, 1954.

Sam Smith Jr [Seal]

Lilah Smith [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 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 (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) 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 (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) 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.

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 Avery, described as follows:1/ Beginning on a stake beside the road, corner of the Maude McGee tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wiseman line; thence with the Mary Justice line south 67 degrees west 500 feet to the beginning, and containing 17 acres, more or less.

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/ Sam Smith, Jr., David Dugger and Stewart Cook

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 21st day of April, 195 4.

Sam Smith Jr [Seal]

Sibyl Smith [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 (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) 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 (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) 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.

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 Avery, described as follows:1/

Beginning on a stake beside the road, corner of the Hardin Potter tract in the Mary Hughes line; thence north 150 feet to a locust; thence north 65 degrees east 180 feet to a dead locust; thence south 5 degrees east 240 feet to a large white oak in the Hardin Potter line; thence with the Mary Hughes line south 65 degrees west 300 feet to the beginning, and containing 1/2 acre, more or less.

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/ Sam Smith, Sr., Sarah Turner and Pleasant Smith

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 23rd day of April, 1954.

Sam Smith Jr [Seal]

Sibyl Smith [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 (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) 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 (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) 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.

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 Avery, described as follows: 1/ [illegible]

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

2/ _____

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 _____ day of _____, 195___.

Sam Smith Jr [Seal]

Sybil Smith [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 (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

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

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.

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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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

2/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under 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.

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4. Changes and added provisions_____

_____

_____

_____

Dated this _____ day of _____, 195___.

Sam Smith Jr [Seal]

Sybil Smith [Seal]

_____ [Seal]

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

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

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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.

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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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

2/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under 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:

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4. Changes and added provisions_____

_____

_____

_____

Dated this _____ day of _____, 195___.

Sam Smith Jr [Seal]

Sheryl Smith [Seal]

_____ [Seal]

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

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

April 21, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3302

Applicant: Sam Smith, Stewart Cook, and David Dugger

Name and Location of Property: Brown Ingram and/or Harold Benfield Mine
Avery County, North Carolina

Date Application Rec'd. by Ceramic & Fert. Mats. Br.: April 9, 1954

Comments:

1. No data available in this office on subject mine.
2. Proposed plan of exploration is not clear.
3. Estimated cost of $9,664 appears high.

Recommendation:

It is suggested the field team examine this mine to determine if an exploration program is justified. If so, the field team and applicants should agree on a definite exploration plan of bulldozing or combination of bulldozing and underground work with expenditures on a unit-cost basis.

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.

Defense Minerals Administration
RECEIVED
APR - 9 1954

April 9, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3302 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: Sam Smith, Jr., Ingalls, N. C.; Stewart Cook, Elk Park, N. C.; and David Dugger, Elk Park, N.C.
Name of property: No name.
Location of property: No fixed location given.
Summary of applicant's proposal: Bulldoze overburden and pegmatite. $9,664
Sources of information on applicant's property: Without an exact location and name of mine, we cannot look up information.
Coments:

1. Get name of mine and exact location.
2. Ask applicant for sketch showing pegmatite, present work, and proposed work.

RECOMMENDATION:

After above questions are answered, refer to Field Team for examination if required.

D. M. Larrabee

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

April 7, 1954
Subject: DMEA-3302
Re: Exploration Assistance
Brown Ingram & Harold Benfield
Mine

Mr. Sam Smith, Jr., et al.
Ingalls
North Carolina

Gentlemen:

The receipt of your application dated March 31, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3302 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-3302 in any future correspondence relating to your application.

Sincerely yours,

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

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

April 7, 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 - 3302 **Sam Smith, Jr., et al.**

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

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

Defense Minerals Administration
RECEIVED
APR 7 1954

April 5, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region VII

Subject: Application of Sam Smith, Jr. Stewart Cook and Dave Dugger on the Brown Ingram and Harold Benfield Mine, Avery County, N. C.

Transmitted herewith is the original and two copies of the subject application, together with a copy of their lease. We have retained one copy of the application for our files.

The applicant's attorney has been advised that Owner's Consent to Lien will be required and the necessary forms have been sent to him.

Wm. A. Beck

Wm. A. Beck

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1954

April 5, 1954

Mr. Warren H. Pritchard,
Attorney at Law
Spruce Pine, North Carolina

Dear Mr. Pritchard:

This will acknowledge receipt of application for Exploration aid on the Brown Ingram and Harold Benfield Mine by Sam Smith, Jr., Stewart Cook, and David Dugger. This is being sent to Washington today.

Before an exploration contract can be made it will be necessary to have "Owner's Consent to Lien" forms signed by Sam Smith, Jr. and his wife. For this purpose there are enclosed eight copies of form NF-203. Please have these filled out and return the original and five copies to this office. One copy is to be given to the land owners and one copy is to be retained by the applicants.

Very truly yours,

Wm. A. Beck, Acting
ExecutiveOfficer, DMEA

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

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DEPARTMENT OF THE INTERIOR
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MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR - 7 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. 3302
Metal or Mineral Mica
Date Received
Estimated Cost $9,664
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: Sam Smith, Jr., Ingalls, N. C.; Stewart Cook, Elk Park, N. C., and David Dugger, Elk Park, 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 See attached sheet.

(*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 Sam Smith, Jr. and wife own the land and have leased 2/3rds interest in minerals to Stewart Cook and David Dugger(See attached lease).

(*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. See attached lease

(*e*) If you own the land, describe any liens or encumbrances on it None

(*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. See attached sheet

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

(*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. See attached sheet

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

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

16—66551-1

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

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

(*c*) The work will start within 10 days and be completed within 6 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. See attached sheet

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. See attached sheet

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.
See attached sheet.

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 March 31, 1954.

Sam Smith Jr
(Applicant)

By David Duggan
Stewart Cook

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
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FEB 17 1954

3(a) Located in Toe River Township, Avery County, North Carolina, and described as follows: BEGINNING on a stake beside the road, corner of the Maude McGee tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wiseman line; thence with the Mary Justice line south 67 degrees west 500 feet to the BEGINNING, and containing 17 acres, more or less

(b) Brown Ingram and Harold Benfield Mine

4(a) We are now engaged in carrying on some bulldozing operations at the mine. The mine workings are easily accessible for examination purposes.

(b) Some 8 or 10 years ago mine was worked and considerable quantity of ruby mica was taken.

(c) There are 3 veins, viz., a top vein, a center rock vein and a bottom flat run mica vein.

(d) A good road runs right by the mine and the mine is only about one mile off of U. S. Highway 19-E. The mica would be hauled to the Government Mica Depot in Spruce Pine for sale and this is only a few miles away.

5 (b) Plan is to bulldoze off the overburden and shoot off the top rock and then proceed to bulldoze into the main mica vein

(d) David Dugger has had 12 years in the mica mining business and Sam Smith, Jr. has had 8 years of such experience.

6(a) Total Bulldozing Operations-$12 per hour, eight hours per day, 5 days per week for a total of 4 weeks		$1920.00
(b) 1 drill man-$1.25 per hr., 8 hrs. per day-100 days	$1200.00	
3 miners-$1.00 per hr. each-120 days	2880.00	4080.00
(c) Powder and Caps	1000.00	
Other Miscellaneous supplies	250.00	1250.00
(d) Rent on compressor-$100 monthly for 6 mos.	600.00	
Rent on Jack Hammar-$25 monthly for 6 mos.	150.00	
Rent on Steel-$20 per month for 6 mos.	120.00	
Rent on Hose-$12 per month for 6 mos.	72.00	
Rent on Pipe-$12 per month for 6 mos.	72.00	
Rent on Water Pump-$75 per month for 6 mos.	450.00	1464.00
(e) Repairs to operating equipment(estimated)		250.00
(f) Construction of Mica House and Tool Shed		300.00
(g) Miscellaneous, including FICA, workmans Compensation etc		300.00
(h) Contingencies		100.00
TOTAL		$9664.00

7 (b) We will furnish our share of costs with money to be provided by us.

MINING LEASE

State of North Carolina Avery County; 111

This indenture made this 1st day of April 1954, 1953,

between Sam Smith, Jr. and wife Sybil Smith

of Avery County and State of North Carolina as party of the first part, and known as lessor, and Stewart Cook and David Dugger

of Avery County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written, to wit:

BEGINNING on a stake beside the road, corner of the Maude McGee tract in the Mary Justice line; thence north 1450 feet to a locust; thence north 65 degrees east 920 feet to a dead locust; thence south 4 degrees west 1840 feet to a large white oak in the Bedford Wiseman line; thence with the Mary Justice line south 67 degrees west 500 feet to the BEGINNING, and containing 17 acres, more or less.

There is leased hereby only a two-thirds interest in minerals in said lands the said parties of the first part retaining a one third interest in said minerals.

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

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

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

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

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

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

Witness:

/S/ Sam Smith Jr. (Seal)

/S/ Sybil Smith (Seal)

/S/ David Dugger (Seal)

/S/ Stewart Cook (SEAL)

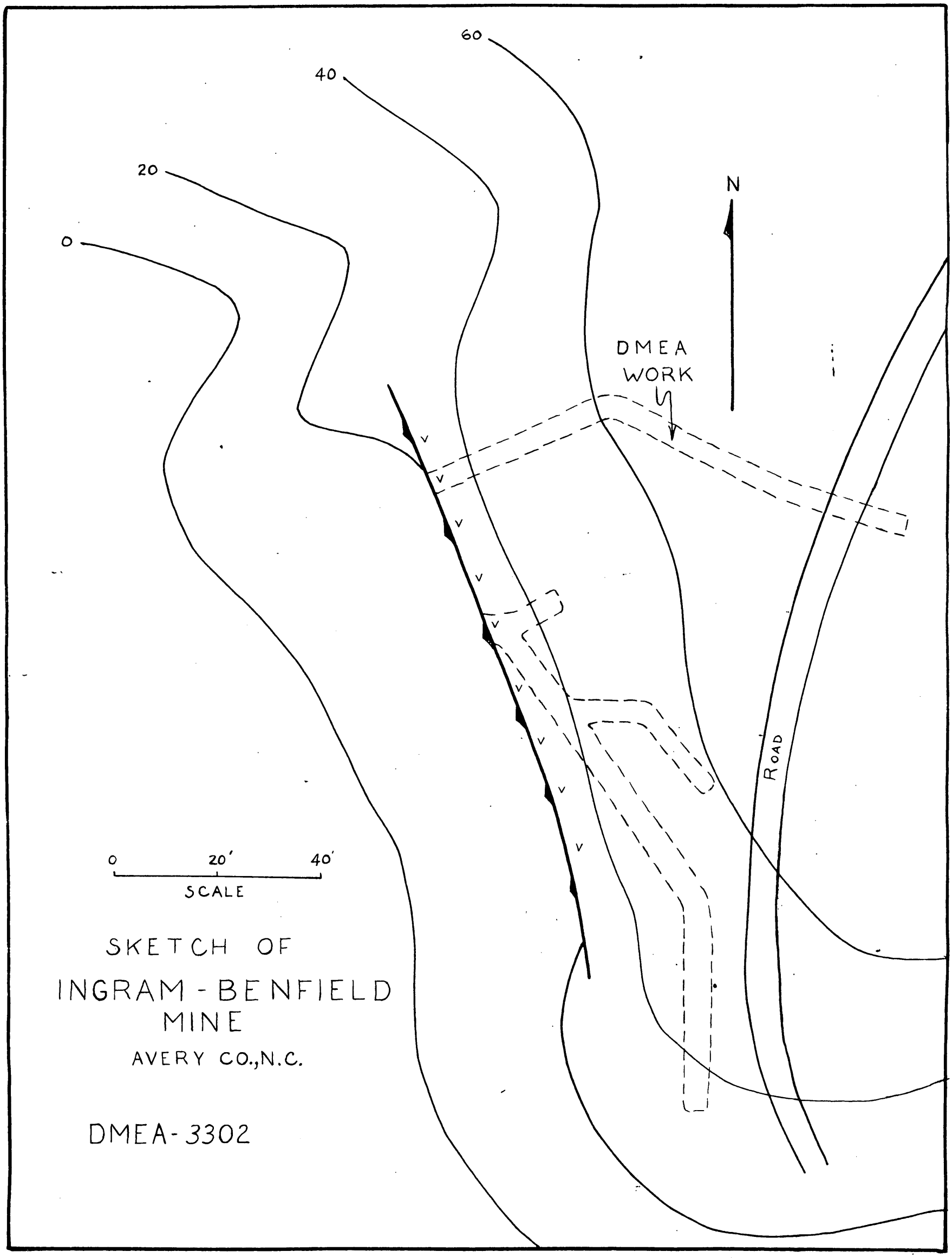
North Carolina
Avery County

I Buena Vance Notary Public do hereby certify that Sam Smith, Jr. & wife Sybil Smith & Stewart Cook & David Dugger personally appeared before me this date & acknowledged the due execution of the foregoing lease.

Witness my hand & notarial seal this the 18t day of April 1954

B/ Buena Vance
Notary Public (Notarial Seal Here)

My commission expires 1-25-56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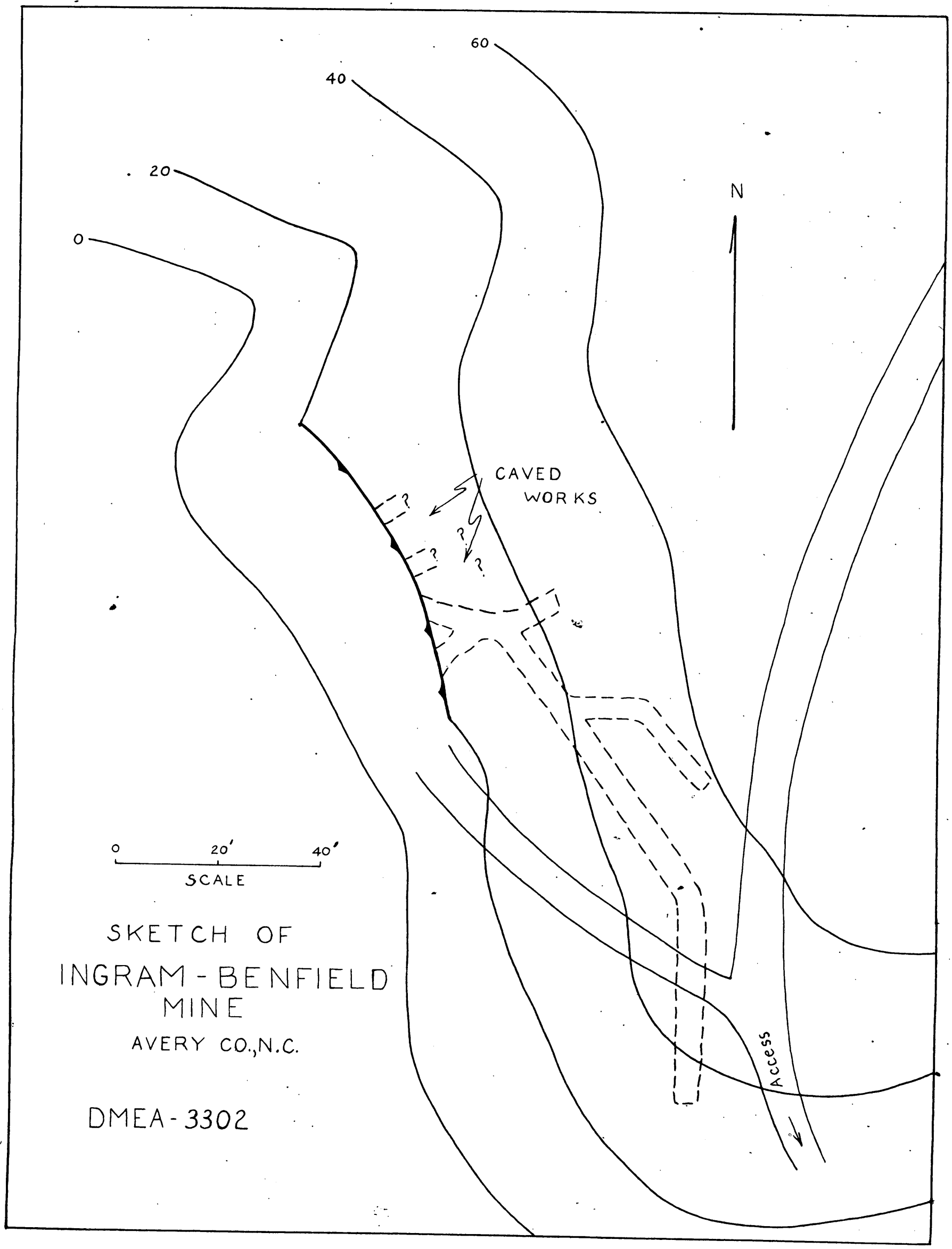
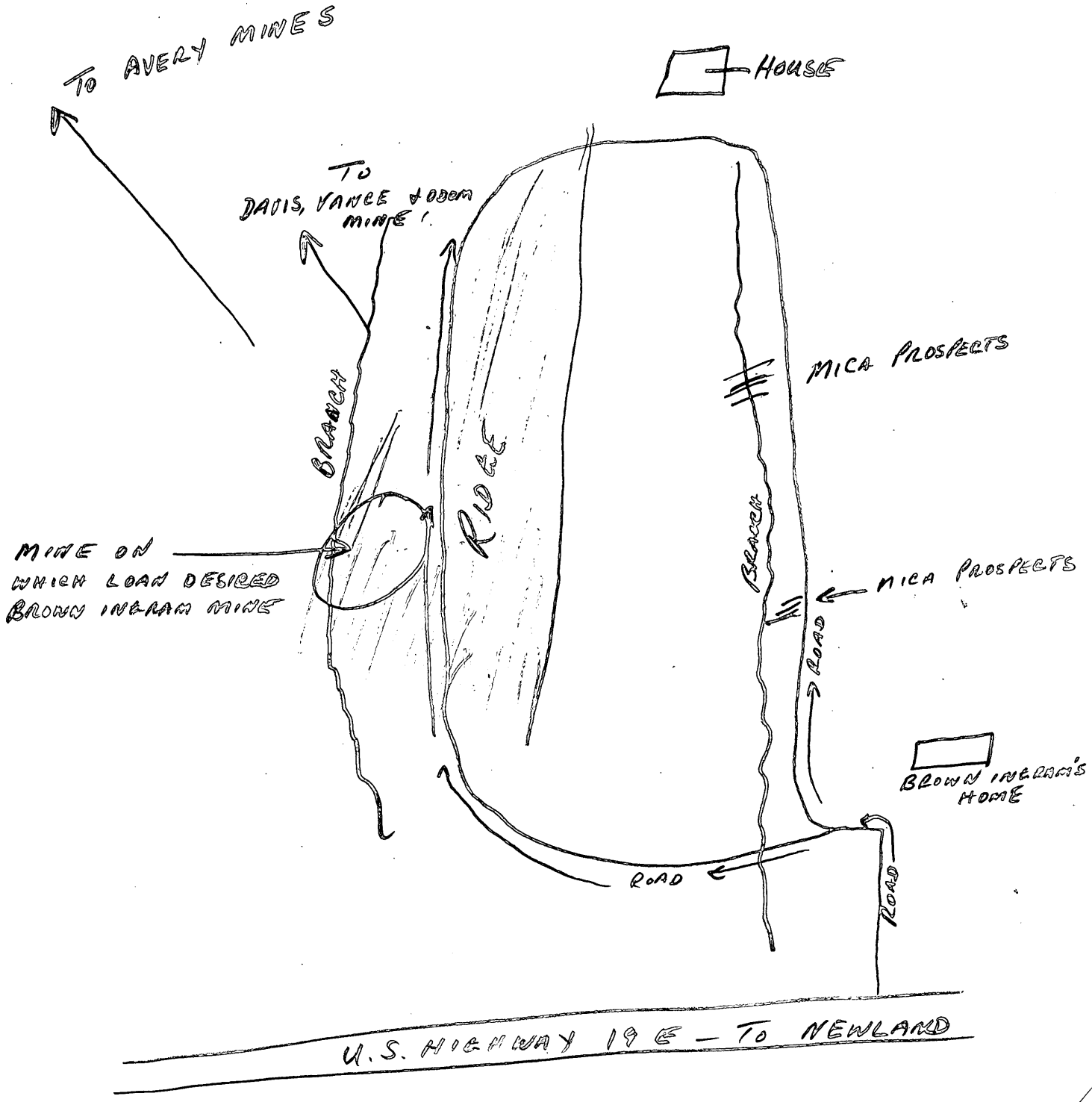
INGRAM - BENFIELD
MINE
AVERY CO., N.C.
DMEA-3302



SKETCH OF
INGRAM - BENFIELD
MINE
AVERY CO., N.C.

DMEA - 3302


TO AVERY MINES
HOUSE
TO
DAVIS, VANCE & ODEM
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Street
Francisco 3, Calif.
OFFICIAL BUSINESS

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PO 169445
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Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.