DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 3402

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To:	600	Date	6/29/54
To:	Open Com	Date	7-14-54
To:	600	Date	7-15
To:	Open Com	Date	9-3-54
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INT.-DUP. SEC., WASH., D.C. 98868

MF-200 (A)
(February 1952)

Defense Minerals Administration
RECEIVED
SEP 16 1954

DOCKET NO. DMEA 3402

COMMODITY Mica

IDM - E 702 Docket copy

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 7th day of Sept, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] John Jarrett
Route 3
Bakersville, 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 Mitchell, described as follows:[3] ~~xxxx~~ set forth in Annex I

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: None

~~(b) That the Operator is 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 30 days from the date of this contract shall commence work on a project of exploration for[5] Mica

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

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 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 $3,403.50, which is 75 percent of $4,538.00, 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* **That part of the second sentence in Article 7 beginning with the word "Provided" is deleted.**

Executed in sextuplicate the day and year first above written.

John Jarrett
(Operator)
JOHN JARRETT

By _____

THE UNITED STATES OF AMERICA

By O P Matthews
Administrator, Defense Minerals Exploration Administration

Butler
Hook
Anderson
Chambers
Selfridge
F E Johnson

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

SEP 16 1954

EXPLORATION PROJECT CONTRACT
JOHN JARRETT
DOCKET NO. DMEA-3402

ANNEX I

The land referred to in Article 2 of the contract form and in Annex II is known as the Jarrett Prospect and is owned by the Operator, John Jarrett. It is 1.3 airline miles N. 5° W. of Boonford, Mitchell County, North Carolina, and is described as follows:

Beginning at the opening known as the Jarrett Prospect in Snow Creek Township, Rebels Creek, Mitchell County, North Carolina and running north 250 feet, west 250 feet, south 500 feet, east 500 feet, north 500 feet, then west 250 feet to the beginning.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 16 1954

EXPLORATION PROJECT CONTRACT
JOHN JARRETT
DOCKET NO. DMEA-3402

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.

58694

EXPLORATION PROJECT CONTRACT
JOHN JARRETT
DOCKET NO. DMEA-3402

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled " Sketch of Jarrett Pros. Mitchell Co., N.C. DMEA-3402 (mica)," as follows:

1. Prepare shaft site with a bulldozer by cutting a trench 6 feet deep by 20 feet wide across the crest of a low ridge.

2. Construct a powder magazine and an exploder magazine, each adequate for the requirements of the project.

3. Sink on the pegmatite a two-compartment shaft to a depth of not more than 50 feet.

4. From the bottom of the shaft, explore the pegmatite by driving not more than 80 feet of drifts and/or crosscuts.

The shaft and the drifts and crosscuts shall be timbered as necessary and shall have cross-sectional dimensions of not less than 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 shaft site - 10 hours @ $10.00/hr.	$100.00
Constructing - Powder magazine 1/	25.00
Exploder magazine 1/	13.00
Sinking 50 feet of shaft @ $40.00/ft.	2,000.00
Driving 80 feet of drifts and/or crosscuts @ $30.00/ft.	2,400.00
	$4,538.00

AGREED ESTIMATED TOTAL COST OF PROJECT	$4,538.00
GOVERNMENT PARTICIPATION AT 75%	$3,403.50

1/ The completed work constitutes the unit.

Docket Copy
Surname:
Anderson
Houk
Talbot
Selbridge
H Johnson

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

JAN 27 1956

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Idm-E702

Dear Mr. Jarrett:

Reference is made to your completed exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

R. D. Mitzenbert

Administrator

WCAnderson:gad 1/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.G.H.

Docket Copy
Surname:
Anderson
Houk
Fisher
Chambers
F B Johnson

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

Mr. John Jarrett
Route 3
Bakersville, North Carolina

DEC 21 1955

Re: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Idm-E702

Dear Mr. Jarrett:

Under Annex II b. (1) of the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "...regardless of any certification of discovery or development, from the date of the contract until the lapse of 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". According to your final report a total of about 700 pounds of scrap mica was recovered during the operation. Regardless of whether the mica was of strategic, scrap or any other grade, an accounting must be made to the Government of recovered mica.

In order to close out our records on this contract, it would be appreciated if you send to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, your check for the Government's royalty on the above, and any other production from the property. The check should be made payable to the Defense Minerals Exploration Administration and should be accompanied by certified copies of sales slips.

Sincerely yours,

C. C. Mitkendorf

Administrator

WCAnderson:gad 12/19/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.C.B.

Docket Copy
Surname:
Anderson
Houk
George C. Selfridge
McCleudy

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

SEP - 9 1955

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region V
Room 1[illegible], Post Office Bldg.
Knoxville 2, Tennessee

Dear Mr. Laurence:

Reference is made to our letter of June 27, 1955, relative to six uncertified projects which have been completed or terminated but no closing letters have been written because of the unsettled situation with regard to royalties.

We have received reports on three of these projects. We have not had reports on the following projects:

Docket No.	Contract No.	Value of production
DMEA-3329	Idm-E714	$70.00
DMEA-3391	Idm-E704	$40.00
DMEA-3402	Idm-E702	Unknown

If you will clear up this matter it will be appreciated as we wish to close out the contracts as soon as possible.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

/s/ M. E. Nelson
Member, Geological Survey

WCAnderson:gad 9/8/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

P.S.S.

Docket Copy
Surname:
Anderson
Houk
Talbert
Selfridge

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

JUN 27 1955

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

Dear Mr. Laurence:

Reference is made to a number of uncertified projects which have been completed or terminated, but no closing letters have been written because of the unsettled situation with regard to royalties.

Under the following contracts, having royalty provisions regardless of certification, the Field Team reported production, either of known or unknown values:

Docket No.	Contract No.	Value of production during project
DMEA-2939	Idm-5524	Unknown
DMEA-3348	Idm-5735	Unknown
DMEA-3349	Idm-5714	$70.00
DMEA-3356	Idm-5711	Unknown
DMEA-3391	Idm-5704	$40.00
DMEA-3412	Idm-5702	Unknown

In order to close out these contracts it will be appreciated if you will take whatever action you deem appropriate for collection of these royalties. It is suggested in the case of unknown values of production during the project that an estimate be made agreeable to the Government and the Operators.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JVB)

Approved:

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

Thor H. Kiilsgaard (JVB)
Member, Geological Survey

WCAnderson:gad 6/22/55

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

R.C.B.

DOCKET COPY

Project Summary Report

By: Walter C. Anderson June 10, 1955

1. Docket No. DMEA-3402 - Mica
Contract No. Idm-E702
Jarrett Prospect
Mitchell County, North Carolina

Application: Form MF-103 (April, 1952) received June 20, 1954
Work Proposed : Bulldoze a cut 100 feet by 10 feet deep by 12 feet wide; shaft 80 feet deep; and drift 100 feet long.
Amount requested: $7,700.00
Operator: John Jarrett
Route 3, Bakersville, North Carolina
Operator's Property Rights: Owner

2. Contract: Form MF-200(A) (February, 1952) dated September 7, 1954.
Work Authorized:

Bulldoze shaft site	$100.00
Construct powder and exploder magazines	38.00
50 feet of shaft @ $40.00/ft.	2,000.00
80 feet of drifts and/or crosscuts @ $30.00/ft.	2,400.00
Total agreed unit costs	$4,538.00
Government participation @ 75%	$3,403.50

Amendments: None

Work completed:

Bulldozing shaft site	$50.00
Construction - powder and exploder magazines	38.00
41 feet of shaft @ $40.00/ft.	1,640.00
80 feet of drift @ $30.00/ft.	2,400.00
Total accepted cost	$4,128.00
Government participation @ 75%	$3,096.00

Work began on September 21, 1954, and completed November 16, 1954.

Field Team Final Report received December 10, 1954.

Operator's Final Report received December 10, 1954.

About 800 pounds of "mine run" mica recovered during operation.

No equipment purchased under contract.

3. Audit:

Report of Review issued January 6, 1955

Accepted cost	$4,128.00
Government participation	$3,096.00

4. Certification of Discovery: None issued

5. Comments:

How conducted: All of the work in which the Government participated was acceptable.

Operation: The competency of the Operator was satisfactory.

Engineering: Operator furnished satisfactory account of the project. All work was in pegmatite.

Geological premise: The exploration work did not substantiate the premise that commercial quantities of strategic mica would be found in a large, well-zoned pegmatite.

Geological Criteria upon which work was based:

1. Well zoned pegmatite 20 to 25 feet thick
2. Mica - flat, hard, non-ruby and clear. Sizes up to 6 inches.
3. Past production - extent not known.

Geological Criteria developed during the project:

1. Zoned pegmatite in excess of 25 feet thick.
2. Mica - green, small in size, badly cracked, warped and some "flat-A". Little of strategic quality.
3. Production - about 800 pounds of "mine run" mica.

Future possibilities: Production is not economically possible. Reserves are negligible.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to issue a certification of discovery. The Geological Survey and Bureau of Mines agree. Closing letter should not be written until June 10, 1955, pending possible sale of scrap mica.

Walter C. Anderson

Walter C. Anderson, Mining Engineer

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

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 16 1955

March 14, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Reg. v - Knoxville

Subject: Docket No. DMEA-3402, Idm-E 702 (mica) Jarrett Prospect North Carolina

Reference is made to your letter of March 11, in regard to subject docket.

Through an error in the Field Team Final Report the total cost of the project was reported as $4,090.00. The correct amount is $4,128.00, as stated in the Operations Final Report.

V. J. Lynch

Docket Copy
Surname:
Anderson
Houk
Clearinghouse
Martin
File Copy

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

MAR 11 1955

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

Subject: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina
Contract No. Idm-E702

Dear Mr. Laurence:

In reviewing the subject docket, we note in the Field Team Final Report of November 16, 1954, that the total cost of project is $4,090.00, while the Operator's Final Report of December 1, 1954, claims $4,128.00 as the total cost of project.

In order to have our files complete kindly advise which is correct.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

WCAnderson:gad 3/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R. J

IN REPLY REFER TO:

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

January 14, 1955

DMEA Docket 3402 (Mica)
John Jarrett property
Mitchell County, N. C.
Contract Idm-E702

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 contract terms consisted of 5 hours of bulldozing, during which time a trench 50' x 20' x 6' was excavated; a 41-foot 5' x 7' vertical shaft; and an 80-foot drift which was driven from the shaft on the 39-foot level. The work explored a zoned pegmatite that is more than 25 feet in thickness where exposed in the shaft and drift.

About 800 pounds of poor quality, "mine-run" mica was produced during the project, little of which was of strategic quality.

Because of the negligible reserves of strategic mica found by exploration work, the Field Team recommends that a certification of discovery not be issued to the operator. I concur with those recommendations.

Thor H. Kiilsgaard
T. H. Kiilsgaard
Geologist

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 11 1955

January 11, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3402 (mica)

Applicant: John Jarrett

Name and Location of Property: Jarrett Property
Mitchell County, North Carolina

Contract Number: Idm-E702

Date of Field Team Final Report: December 9, 1954

Date Rec'd. by Br. of Ceram. & Fert. Mat.: December 16, 1954

Field Team Recommendation:

1. No certification.

Comments:

1. About 800 pounds of "mine-run" mica was obtained, but mainly of poor quality and small grades.

2. Reserves of mica are negligible.

3. Expenditures -

Total approved	-	$4,538
Total cost	-	4,090
Gov't. share	-	3,067
Value of production during operation	-	?

Recommendation:

I concur in the field team's recommendation not to certify this project.

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON 25, D.C.~~

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII - Knoxville, Tennessee

Subject: Final Report, DMEA-3402, Idm-E 702 (mica) John Jarrett, Bakersville, N. C.

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

We agree with the examiners 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

WAB/zm
cc:
Beck
Lynch
Files

Reviewed by
DMEA OPERATING COMMITTEE
12-15-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
On

DMEA-3402, JARRETT PROSPECT
(mica)
Mitchell County, N. C.

BY

H. K. 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
12-15-54
(date)

November 16, 1954

FINAL REPORT
ON
DMEA-3402, JARRATT PROSPECT (mica)
Idm-E 702

Operator: John Jarrett, Route # 3, Bakersville, North Carolina

Location: 1.3 airline miles N. 5° W. of Boonford, Mitchell County, N. C.

Work completed under the contract consisted of bulldozing a shaft site, sinking a 41-foot shaft and driving 80 feet of drift. As only an insignificant quantity of strategic mica was discovered by the work performed, no certification of discovery should be issued. Additional exploratory work is not warranted.

Work began on September 21, 1954 and was completed November 16, 1954. A shaft site was prepared by bulldozing a trench 50' x 20' x 6' deep (see attached sketch). This dozing required a total of 5 hours. A 5' x 7' vertical shaft (two-compartment) was sunk and timbered to a depth of 41 feet. From the 39-foot level of this shaft an 80-foot drift was driven as follows: first 49 feet in a S. 27° E direction, next 16 feet S. 45° E., and next 8 feet N. 70° E. and the last 7 feet due north. All work was in pegmatite.

A zoned pegmatite that is in excess of 25 feet thick is exposed in the shaft and drift. Massive quartz 4 1/2 feet thick was intersected by the drift about 60 feet from the shaft. This zone strikes north-south and dips steeply to the east. Adjacent to the quartz is a zone about 2 feet thick composed of plagioclase, quartz, and muscovite of sheet size but poor quality. The remainder of the body traversed by the drift consists of medium-to coarse-grained kaolinzied feldspar (perthite dominant) minor quartz, sparse muscovite of scrap sizes, and garnet. Part of this zone has a graphic texture. Weathered mica schist is exposed in the lower 2-3 feet of the shaft. At this point the pegmatite appears to bottom with the "keel" of the body plunging about 23° to the south-southeast.

About800 pounds of mine-run mica were recovered during the project; most was poor quality and small sizes. Recovery came from (1) adjacent to a thin quartz core in the shaft about 10 feet from the collar, and (2) adjacent to the quartz core about 60 feet from the shaft bottom in the drift. The mica is green-colored, generally small in size, badly cracked and in part warped. Some is "flat -A". Little of the mica recovered will yield sheet of strategic quality.

Reserves of strategic mica revealed by the work done under the contract are negligible.

Expenditures:

(a)	Total approved	$4,538.00
(b)	Total cost of project	4,090.00
(c)	Government's share of cost	3,067.00
(d)	Government's share unexpended	336.00
(e)	Value of production during Oper. ? ?	

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

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

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

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

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII - Knoxville, Tennessee

Subject: Final Report, DMEA-3402, Idm-E 702 (mica) John Jarrett, Bakersville, N. C.

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

We agree with the examiners recommendation that certification should not be issued.

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1954

Spruce Pine, North Carolina
December 2, 1954

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

Re: DMEA-3402, Jarrett Prospect
Mitchell County, N. C.
Final Engineering Report

Dear Mr. Laurence:

Work began on the Jarret project on September 21, 1954 and was completed on November 30, 1954.

We moved in our equipment, which included hoist and air compressor; set up boom pole and began sinking the shaft after bulldozing off the crest of the ridge. We sank a 5'x7' shaft in the vein to a depth of 41', and bottomed the shaft in about 4' of slate. On the instructions of the Field Team, we turned off at this level with the drift. We began to drift in a Southeast direction and continued for a total of 52'. In this drift we picked up about 400# of mica, being Chub A, heavy stained, wavy, non-ruby mica.

We turned to the North after drifting 52', and continued North for the remainder of the 28' of contract drift. In the last 28', we picked up about 300# of scrap mica. This mica was flatter than that found previously, but was again heavy stained and very poor quality. We recovered in the entire operation a total of about 700 lbs. of scrap.

We discontinued operation at the completion of the contract footage, since the mica was far too poor and too scarce to justify continuing the work.

We wish to thank the Field Team for their help and cooperation on the Jarrett project.

Very truly yours,

John Jarrett

John Jarrett

P/b

Spruce Pine, North Carolina
December 2, 1954

Mr. Robert A. Laurence, Executive Officer
DMTA, Region VII
Post Office Building,
Knoxville, Tennessee

Re: DMTA-3402, Jarrett Prospect
Mitchell County, N. C.
Final Engineering Report

Dear Mr. Laurence:

Work began on the Jarret project on September 21, 1954 and was completed on November 30, 1954.

We moved in our equipment, which included hoist and air compressor; set up boom pole and began sinking the shaft after bulldozing off the crest of the ridge. We sank a 5'x7' shaft in the vein to a depth of 41', and bottomed the shaft in about 4' of slate. On the instructions of the Field Team, we turned off at this level with the drift. We began to drift in a Southeast direction and continued for a total of 52'. In this drift we picked up about 400# of mica, being Grub A, heavy stained, wavy, non-ruby mica.

We turned to the North after drifting 52', and continued North for the remainder of the 23' of contract drift. In the last 23', we picked up about 300# of scrap mica. This mica was flatter than that found previously, but was again heavy stained and very poor quality. We recovered in the entire operation a total of about 700 lbs. of scrap.

We discontinued operation at the completion of the contract footage, since the mica was far too poor and too scarce to justify continuing the work.

We wish to thank the Field Team for their help and cooperation on the Jarrett project.

Very truly yours,

John Jarrett

John Jarrett

P/b

Spruce Pine, North Carolina
December 7, 1954

Mr. Robert A. Laurence, Executive Officer
DMA, Region VII
Post Office Building,
Knoxville, Tennessee

Re: DMA-3402, Jarrett Prospect
Mitchell County, N. C.
Final Engineering Report

Dear Mr. Laurence:

Work began on the Jarret project on September 21, 1954 and was completed on November 30, 1954.

We moved in our equipment, which includes hoist and air compressor; set up boom mole and began sinking the shaft after bulldozing off the crest of the ridge. We sunk a 5'x7' shaft in the vein to a depth of 41', and bottomed the shaft in about 4' of slate. On the instructions of the Field Team, we turned off at this level with the drift. We began to drift in a Southeast direction and continued for a total of 52'. In this drift we picked up about 400# of mica, being Grade 4, heavy stained, wavy, non-ruby mica.

We turned to the North after drifting 52', and continued North for the remainder of the 23' of contract drift. In the last 23', we picked up about 3[illegible]# of scrap mica. This mica was flatter than that found previously, but was again heavy stained and very poor quality. We recovered in the entire operation a total of about 700 lbs. of scrap.

We discontinued operation at the completion of the contract footage, since the mica was far too poor and too scarce to justify continuing the work.

We wish to thank the Field Team for their help and cooperation on the Jarrett project.

Very truly yours,

John Jarrett

John Jarrett

P/b

INTERIM REPORT

DMEA-3402 Idm-E702 (mica) JARRETT PROSPECT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

OPERATOR: John Jarrett, Route #3, Bakersville, N. C.

LOCATION: 1.3 airline miles N 5° W of Boonford, Mitchell County, N. C.

All drift work as outlined on this contract has been completed without making a sizeable discovery of strategic mica. The operator stated that no additional work at his own expense would be attempted at this time.

Briefly, the project consisted of sinking a vertical shaft for a depth of 39 feet and driving a drift, which varied in direction from S 27° E to due north, for a total distance of 82 feet. Most of the work was accomplished in feldspathic pegmatite, barren of mica. A thin mica zone was found at 10.5 feet in the shaft and another zone in the drift at 61 feet near a continuous quartz core. An old drift about 30' in length was encountered in this same area. About eight hundred pounds of mica, mostly of poor quality, was recovered. Much of it was cracked and warped, and only a very small amount is good enough to be processed for sale.

The operator was cooperative and followed closely all suggestions made by the Field Examiners.

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 15, 1954

DEPARTMENT OF THE INTERIOR
Bureau of Mines Records Administration
RECEIVED
NOV 12 1954

INTERIM REPORT

DMEA-3402 Idm-E702 (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route 3, Bakersville, N. C.

LOCATION: 1.3 airline miles N 5° W of Boonford, Mitchell County, N. C.

Drifting to the southeast from the 39-foot shaft level is underway on this contract and an advance of 52 feet has been made. The operator was advised to continue the drift until another examination can be made in the near future.

Material encountered in the S 20° E drift continues to be feldspathic, containing but little quartz and no mica of consequence. Much of the material is kaolinized and narrow seams along fractures are filled with red clay containing a little silica. The operator was advised to timber the drift where necessary and to set stulls at some specific locations. It was suggested that safety precautions be taken while working in this weathered ground and that all workers wear safety hats. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague/mg D. H. Amos

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

November 3, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1954

INTERIM REPORT

DMEA-3402 Idm-E702 (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route 3, Bakersville, North Carolina

LOCATION: 1.3 airline miles N 5° W of Boonford, Mitchell County, North Carolina.

Shaft sinking continues on this contract and is now at 39 feet. The operator was instructed to turn off from this level and start drifting to the southeast.

No change in material or mica recovery was evident in shaft work completed since the last visit. Dump material examined was principally feldspathic containing small green mica. At the 39 ft. level the body appears to bottom and plunge or dip 23° SE. The examiners believe it advisable to turn off at this level in order to stay with the pegmatite.

The shaft has been cribbed to near bottom and ladders have been installed in the separated manway. Progress on this contract is satisfactory.

L. E. Shirley (M.R.)
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

INTERIM REPORT

DMEA-3402 Idm-E702 (mica) JARRETT PROSPECT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

OPERATOR: John Jarrett, Route #3, Bakersville, N. C.

LOCATION: 1.3 airline miles N 5° W of Boonford, Mitchell County, N. C.

Shaft sinking is underway on this contract and is now at 20.5 feet. Instructions were given for continued sinking to a total depth of 50 feet. The entire cross section of the shaft is in pegmatite composed principally of feldspar, some massive quartz and zones of sericite. A thin mica zone was picked up under a 2 ft. massive quartz zone at about 10.5 feet. The mica recovered is green and of poor quality.

The shaft is 5' x 7', two compartment and has been cribbed to a depth of about 15 feet. Suggestions were made concerning the installation of ladders in the manway and making the shaft safe.

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 7, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 4 1954

INTERIM REPORT

DMEA-3402 Idm-E702 (mica) JARRETT PROSPECT

OPERATOR: John Jarrett, Route #3, Bakersville, N. C.

LOCATION: 1.3 airline miles N 5° W of Boonford, Mitchell County, N. C.

Starting date on this contract is September 21, 1954. Preparation of a shaft site by bulldozing has been completed and the site for sinking was spotted by the examiners. Shafting is expected to begin in the near future.

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

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

SEP 16 1954

September 14, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville, Tenn.

Subject: Signed Contract. DMEA-3402, Idm-E 702. John Jarrett (mica) Bakersville, North Carolina

Transmitted are three signed copies of the subject contract. The usual distribution of the other copies has been made from this office.

Robert A. Lawrence

Robert A. Lawrence

Docket Copy
Surname:
Anderson
Houk
Chairman
Selfridge
Johnson

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

SEP 7 1954

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

Subject: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

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

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated August 17, 1954, and from the Bureau of Mines, dated August 23, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey (THK)

WCAnderson:gad 9/2/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

Enclosures 10

R.C.G.

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

August 23, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3402 (mica)

Applicant: John Jarrett

Name and Location of Property: Jarrett Prospect, Mitchell County North Carolina

Date of Field Team Report: August 6, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: August 13, 1954

Field Team Recommendation:

1. Exploration assistance.

Comments:

1. The field team is of the opinion the deposit merits exploration.
2. Strategic mica occurs in one zone of the pegmatite.
3. Estimated costs total $4,538.

Recommendations:

I concur in the field team's recommendation for an exploration project in the amount of $4,538.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

August 17, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3402 (mica)

To: Lawrence G. Houk, Defense Minerals Exploration Administration
From: R. D. Trace, U. S. Geological Survey
Applicant: John Jarrett, Bakersville, North Carolina
Name of property: Jarrett Prospect
Location of property: Mitchell County, North Carolina
Date of Field Team Report: August 4, 1954
Authorship of Field Team Report: Teague and Amos, USGS
Field Team's recommendation: Sink 50-foot shaft and drift 80 feet.
Comments: None
ACTION RECOMMENDED: Follow Field Team recommendation.

Bob Trace
R. D. Trace

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

August 6, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report - DMEA-3402 (mica) Jarrett Pros. Mitchell County, N. C.

Enclosed are four copies of the subject report, and six extra copies of the map. We recommend approval of the application as proposed in the report.

The shaft site was selected as shown on the map because the large cut, some 5 years old, is slumped and is not drained, so that the same amount of shaft preparation would be required in the cut as will be required on the hill.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

W A Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

GCS
9/3/54

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3402, JARRETT PROSPECT
(mica)
Mitchell County, N. C.

By

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

August 4, 1954

FIELD EXAMINATION REPORT

On

DMEA-3402, JARRETT PROSPECT (mica)

Applicant: John Jarrett, Route #3, Bakersville, North Carolina

Some prospecting for mica has been done previously on this pegmatite. The pegmatite is large, well zoned where exposed, and appears to contain strategic mica. The examiners recommend that exploration assistance be granted.

The deposit was examined on July 29, 1954. Messrs. John Jarrett, Howard Boone, and S.L. Phillips accompanied the examiners on the inspection, which required two hours.

The Jarrett Prospect is near John Jarret's home, 1.3 airline miles N. 5° W. of Boonford, Mitchell County, North Carolina. It is on the west side of Rebels Creek along the crest of a low ridge. Access is excellent at all times.

The applicant is competent to conduct the proposed exploration project. He owns the property (30 acres) on which the deposit occurs; none of the boundaries are sufficiently near to influence the proposed project in any way.

There are no surface facilities on the property. Workings consist of a group (3) of caved shafts and pits on the south end of the pegmatite that were opened about 50 years ago, and which are reported to have been from 25 to 40 feet deep. No information is available about the extent of level work from these caved shafts. In addition, the applicant has dug several shallow pits and had two bulldozer trenches cut in the pegmatite up the ridge (north) from the area of caved shafts.

This pegmatite occurs along the crest of a low ridge. It strikes North-South and appears to dip near vertical, although no accurate dip can be observed. The dike has been prospected along its strike for at least 500 feet. It is between 20 and 25 feet thick near the middle and appears to thin to the south. The middle portion appears to be coarser-grained than the ends.

The pegmatite where best exposed is well zoned. Zoning as observed from the east to west is as follows: (1) 5 feet + of fine-grained pegmatite composed of plagioclase, perthite, small quartz, and small scrap mica; (2) 4 feet of coarse potash feldspar and graphic granite; (3) 3 feet quartz core; (4) 4 feet of corase potash feldspar and graphic granite; (5) 2 feet flat mica zone composed of non-ruby, flat mica, plagioclase, and quartz;

and (6) 5 feet + same as (1). On both sides of the qurtz core, zones of "wedge-A" green mica of scrap quality occurs.

In the flat mica zone (5), the mica is relatively flat, hard, non-ruby (green) and generally clear except for clay-stain. Sizes up to 6 inches in diameter are exposed. Mica of strategic grade occurs in this zone.

History of production from the caved shafts is not known. John Willis is supposed to have worked the mine about 50 years ago and produced considerable mica, quality and quantity of which are not known.

The field examiners believe that the deposit has merit for exploration. We recommend that the exploration program consist of preparing a shaft site by cutting a trench 6 feet deep and 20 feet wide across the crest of the low ridge; constructing magazines, sinking 50 feet of 5' x 7' shaft on the flat mica zone, and driving 80 feet of drifts from the shaft.

Estimated cost:

Prepare shaft site		
10 hrs. bulldozer @ $10/hr.	$100.00	
Magazines		
Powder Magazine	25.00	
Exploder "	13.00	$138.00
50 feet, 5' x 7', 2-compartment shaft (ground semi-weathered to hard) (25 shifts)		
Labor:		
1- Miner @ $1.50/hr.	300.00	
1- Hoistman @ $1.25/hr	250.00	
1- Laborer @ $1.00/hr	200.00	
Equipment (rental)		
Gasoline hoist @ $50/Mo.	62.50	
Compressor, drill, pump, @ $240/mo.	300.00	
Supplies:		
Timber, 5M @ $65.00/M	325.00	
Drill steel, powder, exploders	150.00	
Gasoline and oil	150.00	
Hand tools, etc.	112.50	
Miscellaneous, soc. sec. etc.	150.00	
Estimated shaft cost.....		$2,000.00
80 feet, 5' x 7' drift and/or crosscut (30 shifts)		
Labor:		
1-miner @ $1.50/hr.	360.00	
1-Hoistman @ $1.25/hr	300.00	
1-Laborer @ $1.00/hr	240.00	
Equipment rental		
Gasoline hoist @ $50/Mo.	75.00	

$40.00/M

Equipment rental cont'd

Compressor, drill, pump @ $240/Mo.	$360.00	

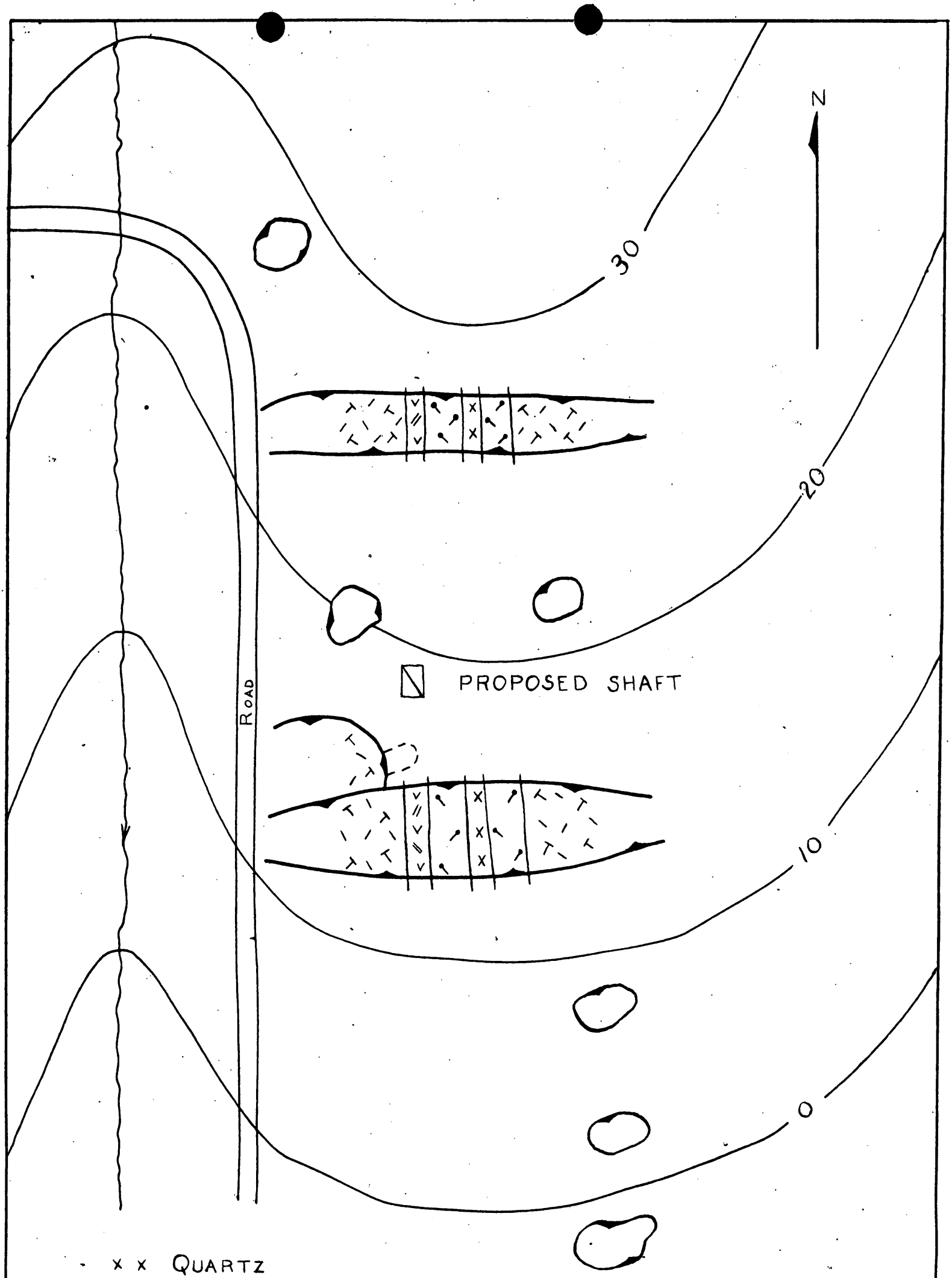
Supplies

Timber, 4 M. @ $65/M	260.00	
Drill steel, powder, exploders	300.00	
Gasoline and oil	300.00	
Hand tools, etc.	50.00	
Miscellaneous: Social Sec., Insurance, etc.	155.00	
Estimated cost of drift.....		$ 2,400.00
Estimated total cost of project....		$ 4,538.00

$30.00/ft.

August 4, 1954

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



× × QUARTZ

MICROCLINE & GRAPHIC GRANITE

PLAGIOCLASE, QUARTZ & SHEET MICA

PLAGIOCLASE, PERTHITE, QUARTZ & SCRAP MICA

0 20' 40'

SCALE

SKETCH OF

JARRETT PROS.

MITCHELL CO., N.C.

DMEA-~~3387~~ (mica)
3402

Spruce Pine, N. C.
July 20, 1954

Mr. C. O. Mittendorf, Administrator
U. S. Department of the Interior, DMEA
Washington 25, D. C.

Re: Docket No. DMEA-3402 - Mica
Jarrett Prospect
Mitchell County, N. C.

Dear Mr. Mittendorf:

In reply to your letter of July 14, we are prepared to furnish 75% of the approved cost of the above project, in accordance with the new Government participation rate.

Very truly yours,

John Jarrett

John Jarrett

B/b

FILE COPY
Surname:

Anderson
Houk
Selfridge
Hedges

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

JUL 14 1954

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

Subject: Docket No. DMEA-3402 - Mica
John Jarrett
Jarrett Prospect
Mitchell 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 June 30, 1954, and from the Bureau of Mines, dated July 6, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

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

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

Enclosures 4

WCAnderson:ag 7/9/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.C.G.

FILE COPY
Surname:

Anderson
Houk
[redacted]
Jeffrey
Gillespie
McDonald

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

JUL 14 1954

Mr. John Jarrett
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3402 - Mica
Jarrett Prospect
Mitchell County, North Carolina

Dear Mr. Jarrett:

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.

Please advise this office in writing if you desire to have your application processed under the new Government participation rate which is 75 percent of the approved cost.

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

Administrator

WCAnderson:ag 7/9/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.C.G.

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

July 6, 1954

JUL 8 - 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3402 (mica)

Applicant: John Jarrett

Name and Location of Property: Jarrett Property
Mitchell County, North Carolina

Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: June 29, 1954

Comments:

1. Proposed exploration by bulldozing 100-foot cut, sinking 80-foot shaft, and drifting 100 feet is consistent with local practices and in line with unit-cost estimates for other DMEA dockets.

2. It may be found upon examination that the proposed bulldozing can be reduced in footage or even eliminated altogether.

Recommendation:

It is recommended that the field team visit this property to ascertain if an exploration project is justified. If so, a definite plan of exploration on a unit-cost basis should be agreed upon.

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.

June 30, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3402 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: John Jarrett, Bakersville, N. C.
Name of property: Jarrett Prospect.
Location of property: No location given.
Summary of applicant's proposal: $7700

Bulldoze cut 100' x 12' x 10' deep
Shaft 80'
Drift 100'

Sources of information on applicant's property: None. New prospect.
Comments: 1. No location given.
2. What evidence of peg? "Mica outcrop" 50' long? Could use a better description.
3. If project is set up, it should be on a stage basis.

RECOMMENDATION:
Refer to Field Team for examination if necessary.

D. M. Larrabee

D. M. Larrabee

June 29, 1954

Mr. John Jarrett
Route 3
Bakersville
North Carolina

Subject: DMEA-3402
Re: Exploration Assistance
Jarrett Prospect

Dear Sir:

The receipt of your application dated June 25, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3402 and referred to the Non-Metallic Minerals Division.

Kindly refer to in any future correspondence relating to your application.

Sincerely yours,

NOTE: Only four copies of the application are required by this office. The fifth copy is hereby returned.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3402
Metal or Mineral Mica
Date Received
Estimated Cost $7,700
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: John Jarrett
Bakersville, Route 3, North Carolina

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Description stated on attached MF-203.

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

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

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.

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

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

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

See attached sheet for questions 5 through 7.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated June 25, 1954

(Applicant)

By John Jarrett

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

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

MF-103 Continuation Sheet

4. (a) No previous workings. New prospect.

   (b) None

   (c) It is believed that deposits of mica of strategic quality may be uncovered at this prospect site.

   (d) Prospect is accessible to roads, shipping, etc.

   (e) Manpower is available. Materials and supplies available, and power is within 100 yards.

5. Mica.

   (b) Map of proposed work attached.

   (c) Work will start within 30 days after contract completed.

   (d) Personal history attached.

6. Estimate of Costs:

Bulldoze cut 100' long, 10' deep, 12' wide 20 hours @ $10.00 per hr.	$ 200.00
Shaft 5x7, 80 feet deep @ $50.00 foot	4000.00
Drift 5x7, 100 feet @ $35.00 foot	3500.00
Total Estimated Cost	$ 7700.00

7. Applicant prepared to furnish in cash his share of cost of proposed exploration project.

Applicant's Personal History & Qualifications

John Jarrett is 42 years old, has lived all his life in Mitchell County, N. C. He attended public schools in Mitchell County and was graduated from Bowman High School at Bakersville, N. C.

Mr. Jarrett has mined in feldspar and mica most of his life. He was foreman at the Nichols Mine in New Hampshire, working for William J. Alexander for one year during 1952-53. He has worked at numerous mines in and around Mitchell County.

Mr. Jarrett has a fine reputation and offers the following references:

Mr. R. B. Phillips
Bakersville, Route 3
North Carolina

Mr. Ed Fortner
Spruce Pine, N. C.

Mr. Clarence Boone
Spruce Pine, N. C.

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 Mitchell, described as follows:1/

Beginning at the opening known as the Jarrett Prospect in Snow Creek Township Rebels Creek, Mitchell County, N. C. and running North 250', West 250', South 500', East 500', North 500' then West 250' to the beginning.

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

2/ John Jarrett

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 June, 1954.

John Jarrett [Seal]

[Seal]

[Seal]

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

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

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

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

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

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

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

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

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203

OWNER'S CONSENT TO LIEN

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

Beginning at the corner post on the Garrett property in Gray Rock Township Mitchell County, N. C. and running North 50°, West 50°, South 500°, East 500°, North 500° then West 50° to the beginning.

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

2/ John Garrett

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 23rd day of June, 1954.

John Garrett [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

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

Beginning at the spring house on the Garrett Homestead in Snow Creek Township Cabels Creek, Mitchell County, N. C. and running North 250', West 250', South 500', East 500', North 500' then West 250' to the beginning.

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

2/ John Garrett

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 23rd day of June, 1954.

John Garrett [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

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

Beginning at the opening known as the Jarrett Prospect in Snow Creek Township Rebels Creek, Mitchell County, N. C. and running North 250', West 250', South 500', East 500', North 500' then West 250' to the beginning.

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

2/ John Jarrett

hereinafter called the "Operator"; and

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

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

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

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

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

Dated this 23rd day of June, 1954.

John Jarrett [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

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 Mitchell, described as follows:1/

Beginning at the opening known as the Jarrett Prospect in Snow Creek Township Rebels Creek, Mitchell County, N. C. and running North 250', West 250', South 500', East 500', North 500' then West 250' to the beginning.

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

2/ John Jarrett

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 June, 1954.

John Jarrett [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (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.

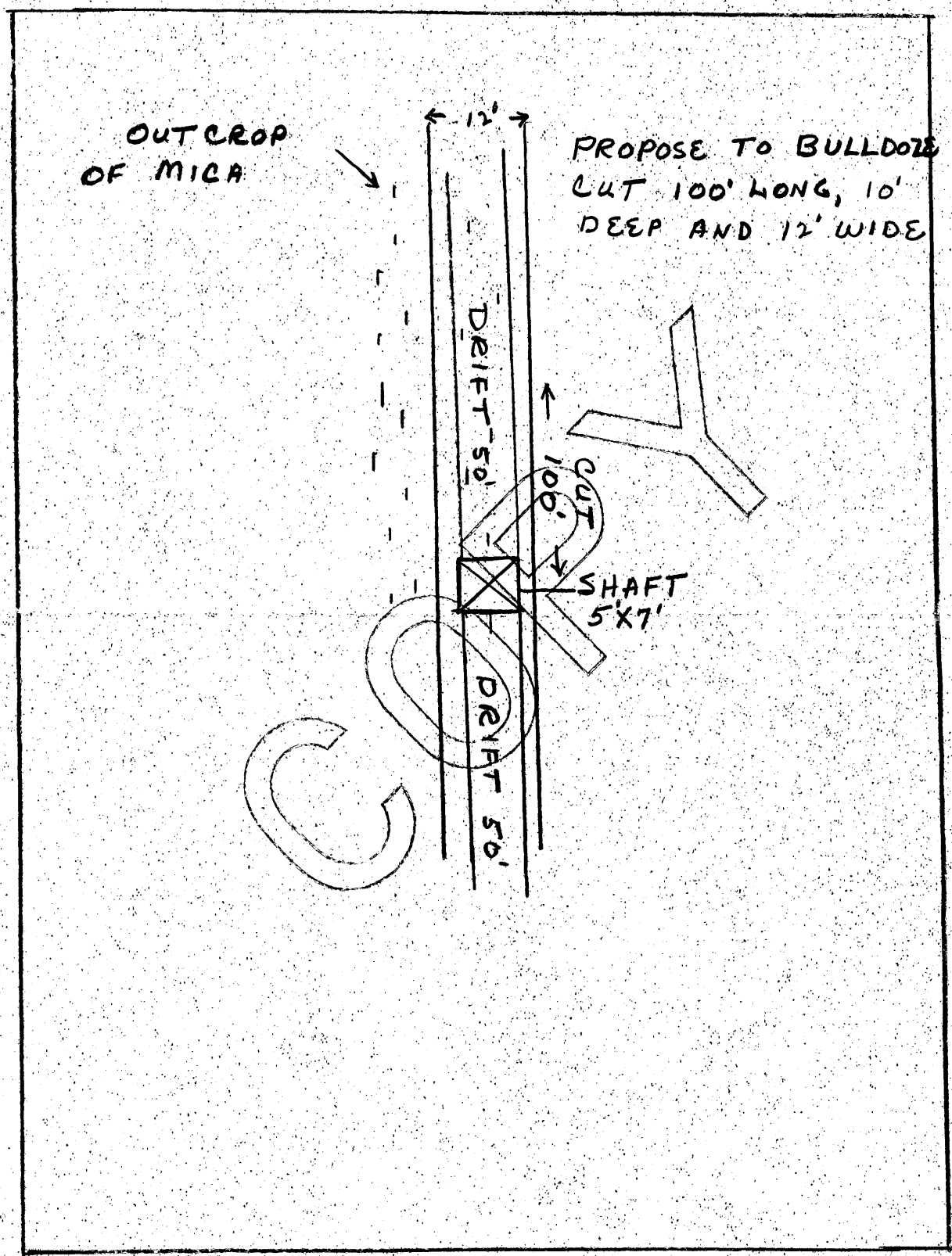
f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

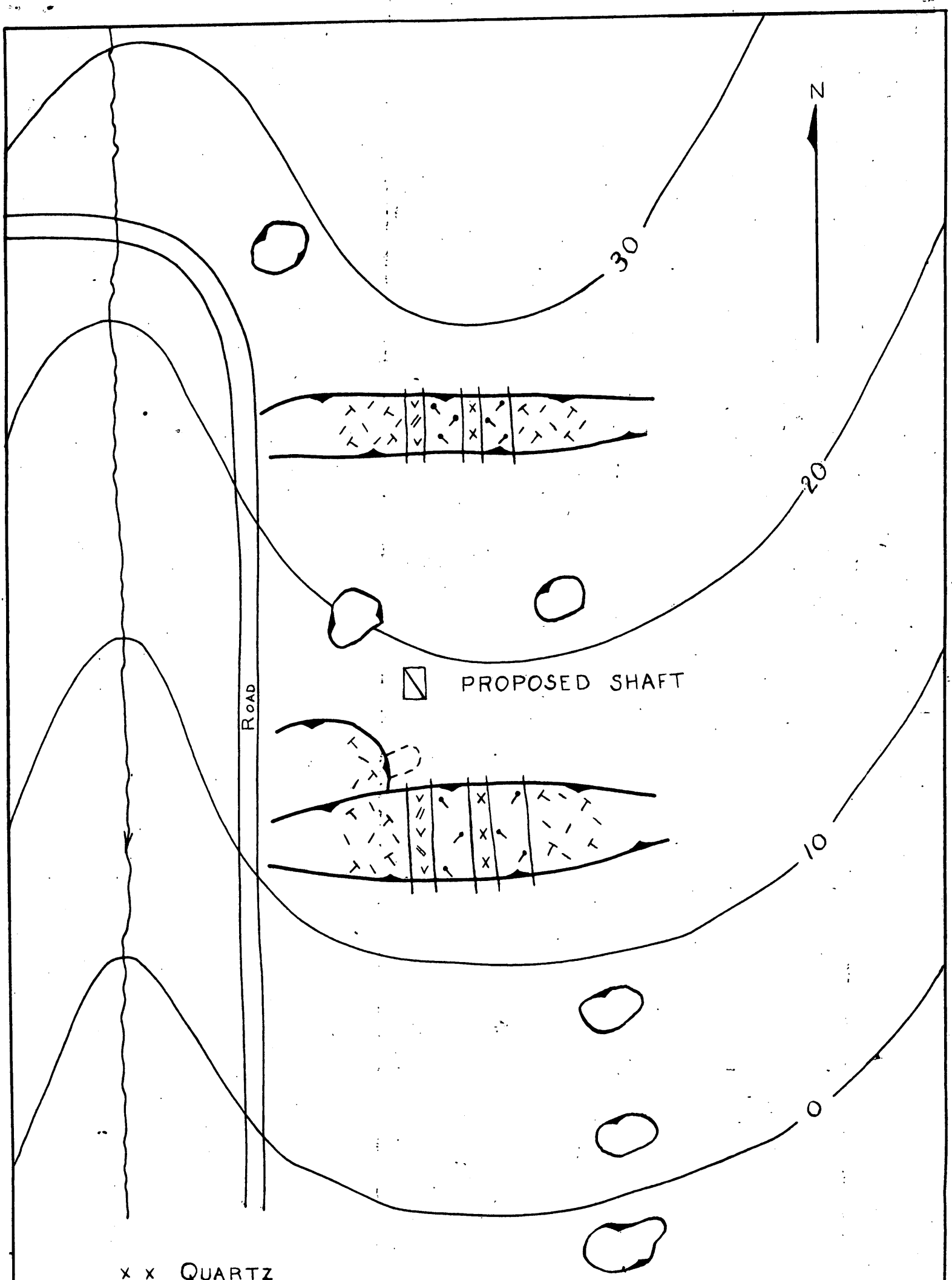
OF MINES
224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

OFFICIAL BUSINESS

Mr. Jay L. Chambers, Chief
Contract Administration & Audit Div.
DMEA — Interior Building
Washington 25, D. C.

JARRETT PROSPECT





x x QUARTZ

/ / MICROCLINE & GRAPHIC GRANITE

v // v PLAGIOCLASE, QUARTZ & SHEET MICA

> \ < PLAGIOCLASE, PERTHITE, QUARTZ & SCRAP MICA

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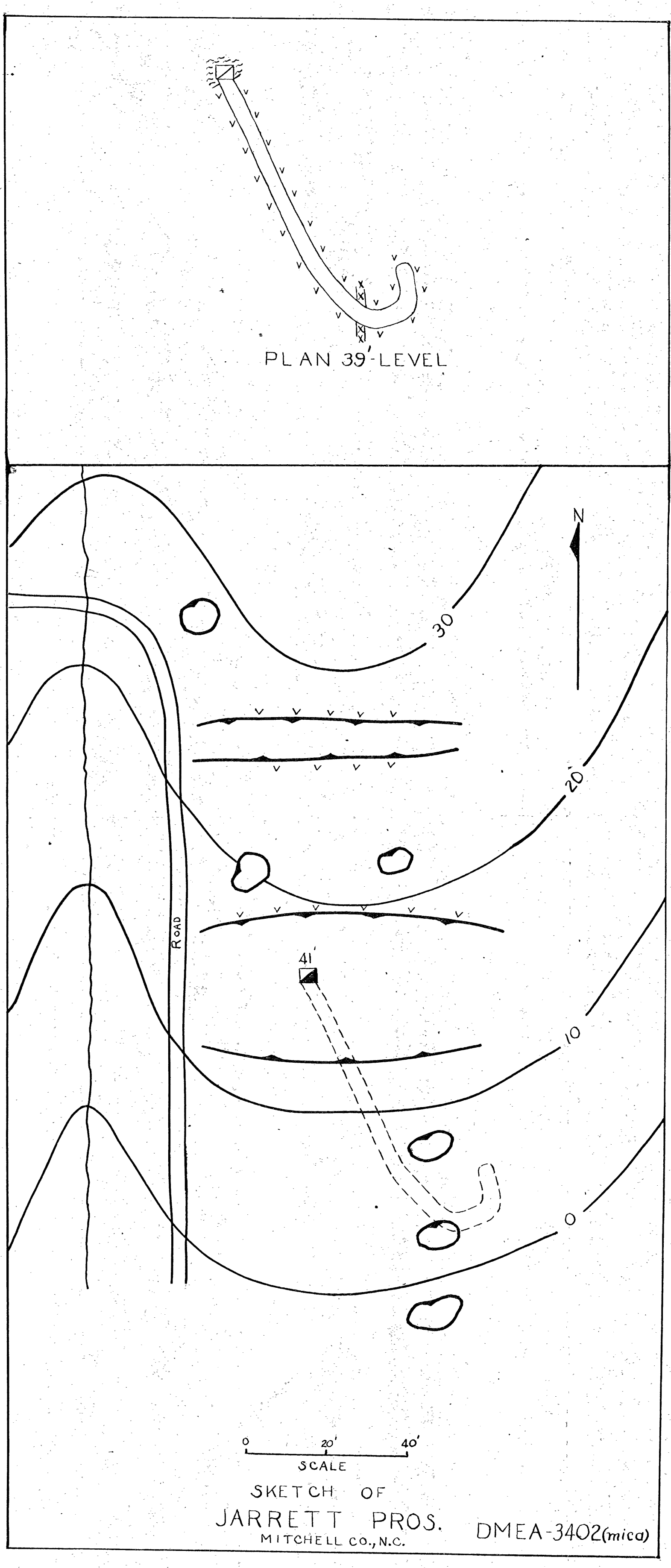
SCALE

SKETCH OF

JARRETT PROS.

MITCHELL CO., N.C.

DMEA-~~3387~~ (mica) 3462



SKETCH OF
JARRETT PROS.
MITCHELL CO., N.C.

DMEA-3402(mica)