DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Idm-E NO. 719

DMEA NO. 3425

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [x] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [x] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [x] Project summary (final)
- [x] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [x] Field Team Semi-Annual Report for Certified Project
- [x] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [x] Interim Field Team Reports
- [x] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [X] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

17963

Docket Copy
Surname:
Anderson
Z.L. Kennel
Hoffland
"Appd. Sol. Off."
Yoga
Kiilsgaard
Selfridge
Talbut

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

CERTIFICATION BY THE UNITED STATES OF AMERICA
OF A DISCOVERY OR DEVELOPMENT UNDER
AN EXPLORATION PROJECT CONTRACT

To: Mine Creek Mica Miners
C/O Mr. E. G. Thomas
Spruce Pine, North Carolina

Pursuant to the provisions of Exploration Project Contract No. Idm-8719, dated October 5, 1954 (Docket No. DMEA-3425), hereinafter called the "contract" between you and the United States of America, hereinafter called the "Government", to establish and fix the Government's percentage royalty on production and its lien thereon and on the land described in the contract, the Government considers and therefore certifies that discovery or development from which production may be made has resulted from the exploration work.

The nature of said discovery or development is described broadly or indicated as follows:

The work performed disclosed a mica-bearing pegmatite some three to four feet thick.

THE UNITED STATES OF AMERICA

By O P Mittendorf
Administrator, Defense Minerals
Exploration Administration

Dated AUG 3 1 1955

WCAnderson:gad 8/17/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Geehan, 3608
Mr. Houk
Mr. Anderson
Mr. Chambers
Operating Committee
Finance Office
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Clarence A. Fredell, EPS, GSA

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

B. G. Thomas, Roy Grindstaff,
Allen Parsley, and R. C. Thomas
d/b/a Mine Creek Mica Miners
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-4719, Docket No. DMEA-3425, including Amendment No. 1, for the months of November 1954 to February 1955, inclusive, covering a project for the exploration of mica on property, known as the George Howell Prospect No. 2, located in Mitchell County, North Carolina.

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

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

all of the costs incurred were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

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

Total cost as billed by Contractor		$3,634.00
Exceptions:		
By DMEA Finance Officer	$60.00	
Herewith	-0-	60.00
Total Accepted Cost		$3,574.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand six hundred eighty and 50/100 Dollars

$2,680.50

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert Jr.

July 11, 1955

E. D. Talbert, Auditor

Government's Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

TERMINATION AGREEMENT

It is agreed this 9th day of May, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mine Creek Mica Miners, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E719, Docket No. DMEA-3425, dated October 5, 1954, as amended, hereinafter called the "Contract," that:

1. Effective March 28, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Robert A. Laurence
Robert A. Laurence, Executive Officer, DMEA Field Team, Region V

MINE CREEK MICA MINERS

BY B. G. Thomas

By Roy Grindstaff

By Allen Pardley

BY R. C. Thomas

Government's copy

DEPARTMENT OF THE INT
Defense Minerals Administration
RECEIVED
MAR 2 - 1955

EXPLORATION PROJECT CONTRACT
MINE CREEK MICA MINERS
DOCKET NO. DMEA-3425

AMENDMENT NO. 1

It is agreed this 28th day of January, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and B. G. Thomas, Roy Grindstaff, Allen Parsley, and R. C. Thomas, d/b/a Mine Creek Mica Miners, that Exploration Project Contract Idm-E719 (Docket No. DMEA-3425), dated October 5, 1954, is amended effective October 5, 1954, as follows:

1. In Article 5 of the contract, delete the figures "$6,124.00" and "$4,593.00" and substitute the figures "$7,624.00" and "$5,718.00," respectively.

2. In Exhibit "A" under the heading "Stage II," the amount of drilling which may be approved in advance by the Government is increased from "150 feet" to "300 feet."

3. In Exhibit "A" under the heading "Fixed Unit Costs":

a. Delete the second item and substitute:

Drilling 300 feet of NX diamond drill hole @ $10.00/ft.	$3,000.00

b. Delete the last two totals and substitute the totals "$7,624,00" and "$5,718.00," respectively.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O. Mitchell
Administrator, Defense Minerals Exploration Administration

MINE CREEK MICA MINERS

By B.G. Thomas

By Roy Grindstaff

By Allen Parsley

By R.C. Thomas

Government's copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

MF-200A
(Revised June 1954)

Docket No. DMEA - 3425

Commodity Mica

Contract No. Idm-E 719

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 5th day of October, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] B. G. Thomas, Roy Grindstaff, Allen Parsley, and R. C. Thomas, a partnership, doing business as Mine Creek Mica Miners,

whose mailing address is % B. G. Thomas
Spruce Pine, North Carolina,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and .....

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of North Carolina, County of Mitchell, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] deed, [7] unrecorded in Book ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: The Owner's Consent to Lien of the lessor.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica The work to be performed is described in Exhibit "A." The Operator on or before November 20, 1954, shall commence the work, and on or before May 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $6,124.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $4,593.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *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 a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(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, within 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 crude 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 (1½) 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 (½) 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 (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *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.

(h) *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.

(i) *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 production operations.

(j) *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.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

MINE CREEK MICA MINERS
(Operator)

By B. F. Thomas (Partner)

By Roy Windstoff (Partner)

By Allen Pursley (Partner)

By R. C. Thomas (Partner)

THE UNITED STATES OF AMERICA

By O. Mitteedorf
Administrator, Defense Minerals
Exploration Administration

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—70618-1

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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NOV 10 1954

EXPLORATION PROJECT CONTRACT
MINE CREEK MICA MINERS
DOCKET NO. DMEA-3425

ANNEX I

The land referred to in Article 2 of the Contract is known as George Howell Prospect No. 2, and was leased for mining purposes to the Mine Creek Mica Miners for a period of five years, with option to renew for an additional five years, by G. M. Howell, by an instrument dated July 21, 1954. This property is located 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, North Carolina, and is described in the lease as follows:

> Beginning at the center of the George Howell Prospect #2 and running North 250 feet; thence East 250 feet; thence South 500 feet; thence West 500 feet; thence North 500 feet; thence East 250 feet to the beginning.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

EXPLORATION PROJECT CONTRACT
MINE CREEK MICA MINERS
DOCKET NO. DMEA-3425

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 Geo. Howell Pros. #2, Mitchell Co., N. C. DMEA-3425 (mica)," in three stages as follows:

Stage I

By bulldozing, extend each of two existing trenches southeastward a distance of 50 feet to determine the existence of mica-bearing pegmatite.

Stage II

Stage II shall be undertaken only if the work under Stage I does not disclose the existence of a mica-bearing pegmatite, and shall consist of drilling 150 feet of NX diamond drill hole as approved in advance by the Government.

Stage III

Stage III shall be undertaken only if the work in either Stage I or Stage II discloses the existence of a mica-bearing pegmatite, and shall consist of the following:

1. Construct a tool-hoisthouse, adequate for the requirements of the project.

2. Sink on the pegmatite a two-compartment incline for a distance of not more than 50 feet.

3. From the bottom of the incline, explore the pegmatite by driving not more than 60 feet of drifts and/or crosscuts.

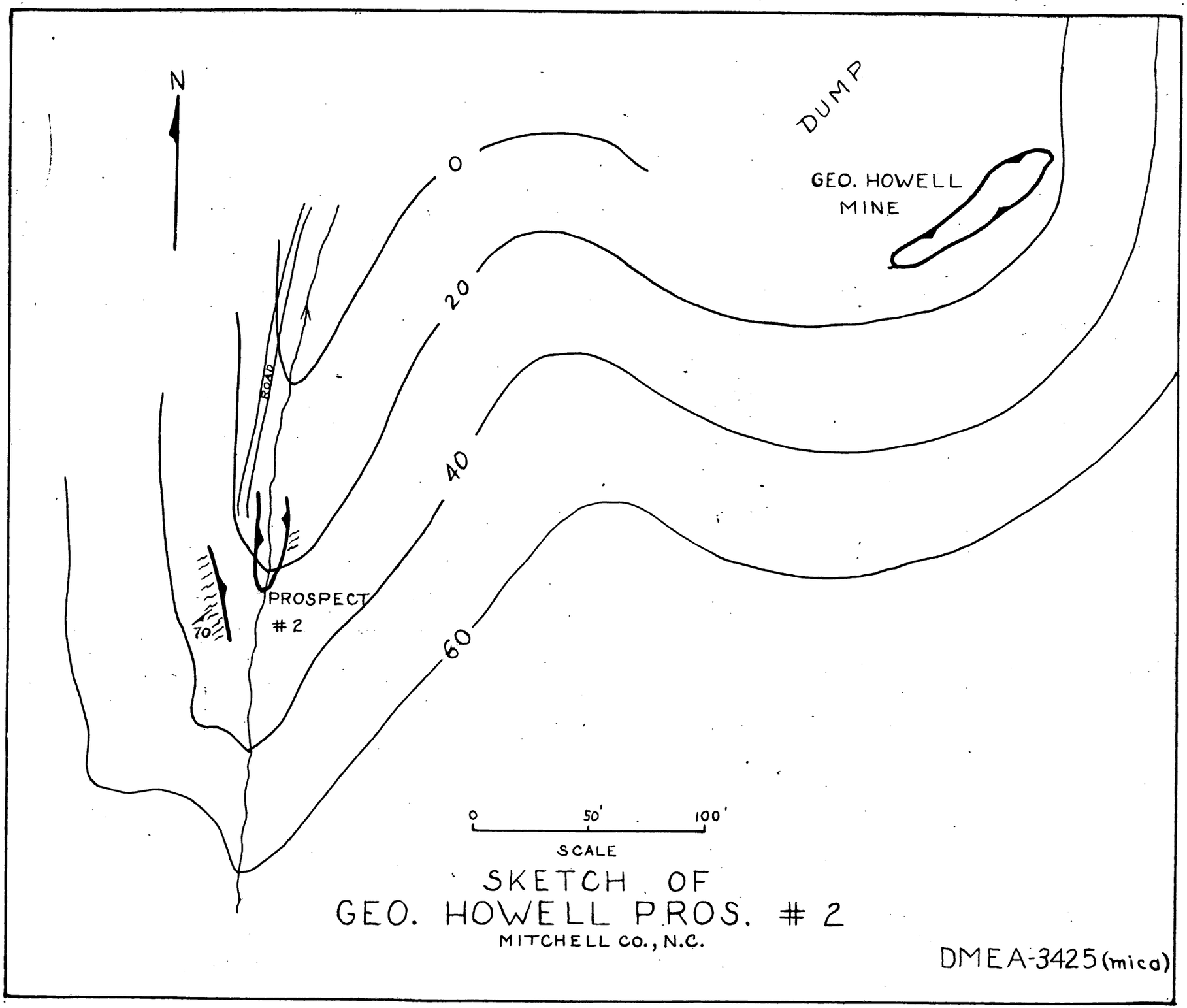
The incline and the drifts and/or crosscuts shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Bulldozing trenches, 20 hours @ $10.00/hr.	$ 200.00	
Drilling 150 feet of NX diamond drill hole @ $10.00/ft.	1,500.00	
Constructing tool-hoisthouse 1/	74.00	
Sinking 50 feet of incline @ $45.00/ft.	2,250.00	
Driving 60 feet of drifts and/or cross-cuts @ $35.00/ft.	2,100.00	
Estimated Total Cost of Project		$6,124.00
Government participation @ 75%		$4,593.00

1/ The completed work constitutes the unit.



SKETCH OF
GEO. HOWELL PROS. # 2
MITCHELL CO., N.C.

DMEA-3425 (mica)

MF-203
(Revised July 1, 1954)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

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 center of the George Howell Prospect #2 and running North 250'; thence East 250', thence South 500'; thence West 500'; thence North 500', thence East 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/ Mine Creek Mica Miners
d/o B. G. Thomas, Spruce Pine, N. C.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production 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.

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.

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this 21st day of July, 195 4

x G M Howell [Seal]

_____ [Seal]

_____ [Seal]

Geo. Howell Mine, DMEA-3425. The contract in this case called for bulldozing two trenches, diamond drill 150 ft. of NX hole, sink a two compartment 50 ft. shaft, and 60 ft. of drifts and crosscuts.

The contract was amended to provide 300 ft. of NX hole. Both holes encountered pegmatite. The attached picture shows the gin pole at the Geo. Howell Mine. The Geo. Howell Mine stope extends into the area described in the contract, in fact the stope is at present directly below the vertical shaft. The Field Team recommends and the operator concurs that sufficient mica has been produced from the area described in the contract to pay back the amount of Government participation. This contract will be terminated by mutual agreement with a certification of discovery made.

Looking NE across dump at surface plant.

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. 3425
Metal or Mineral Mica
Date Received
Estimated Cost $8,750
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: B. G. Thomas, Roy Grindstaff, Allen Parsley and R. C. Thomas
D/B/A Mine Creek Mica Miners
c/o B. G. Thomas
Spruce Pine, N. C.

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

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

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

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

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

(*b*) State any mine name by which the property is known. George Howell Prospect #2

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

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

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

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

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

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

(*c*) The work will start within 30 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. On file with DMEA

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)? Yes. Will furnish required 25% of costs.

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated July 21, 1954

Mine Creek Mica Miners
(Applicant)

By B. G. Thomas

B. G. Thomas, Partner

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

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

MF-103 (continuation sheet)

4. (a) No mining operations have been conducted on this prospect.

   (b) No past production.

   (c) Sketch map attached. It is believed that ruby mica of strategic quality may be found.

   (d) Prospect is accessible to roads and shipping.

   (e) Manpower is available. Materials and supplies easily obtained, and power is within 500 feet of site.

5. (b) We propose to bulldoze 25 hours to uncover vein, sink and 5x7 shaft to a depth of 100 feet, then drift and/or crosscut for 100 feet.

6. Estimate of costs:

25 hours bulldozing @ $10.00 per hour	$ 250.00
Sinking 5x7 shaft 100' @ $50.00 ft.	5000.00
Drifting and/or crosscutting 100' @ $35.00 ft.. .	3500.00
Total Estimated Cost	$ 8750.00

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 21st day of July, 1954, 1953,

between G. M. Howell

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and B. G. Thomas, Roy Grindstaff, Allen Parsley and R. C. Thomas D/B/A Mine Creek Mica Miners

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

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

Beginning at the center of the George Howell Prospect #2 and running North 250'; thence East 250'; thence South 500'; thence West 500'; thence North 500'; thence East 250' to the beginning.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

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

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

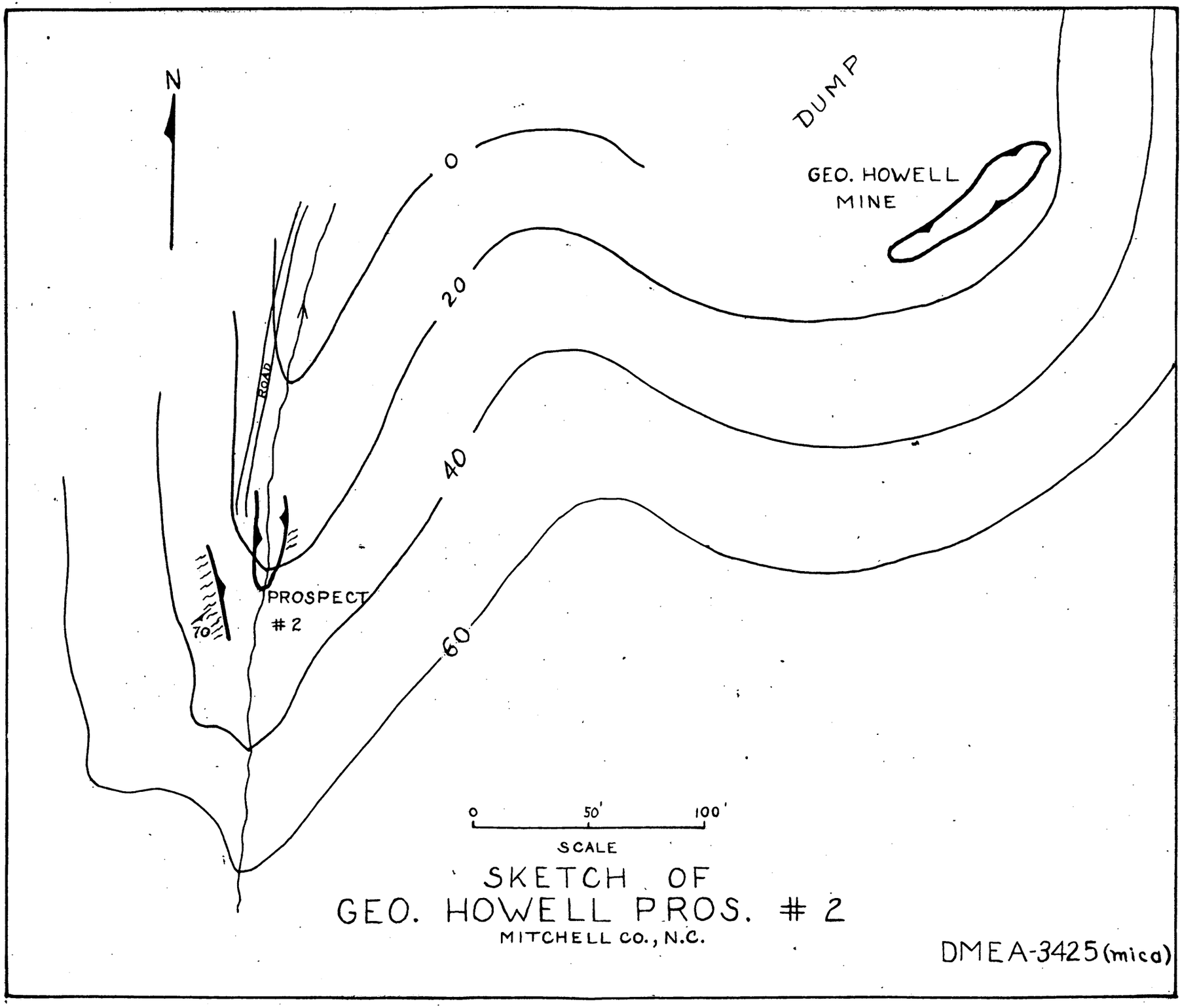
BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees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

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

Witness: G M Howell (Seal)

(Seal) _____ (Seal)

Signed: Kenneth R. McKinney, Notary Public
My Commission Expires 8/11/55 _____ (Seal)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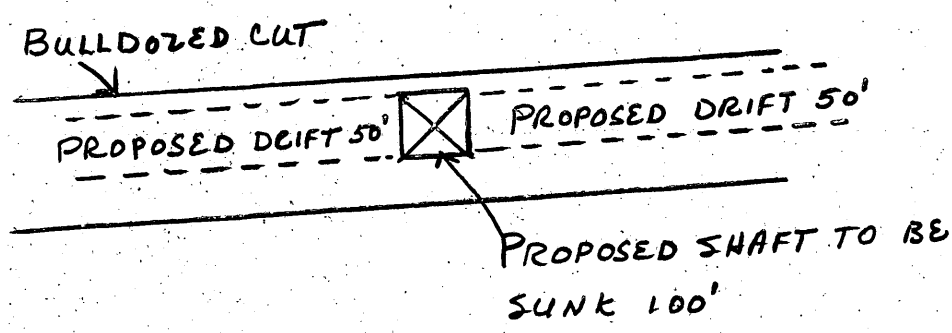
SKETCH OF
GEO. HOWELL PROS. # 2
MITCHELL CO., N.C.
DMEA-3425 (mica)

GEORGE HOWELL
PROSPECT #2



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

Project Summary Report

By: Walter C. Anderson August 16, 1955

1. Docket No. DMEA-3425 - Mica
Contract No. Idm-E719
George Howell Prospect No. 2
Mitchell County, North Carolina

Application: Form MF-103 (April 1952) received July 26, 1954.
Work proposed: Bulldoze trench, sink 100 feet of shaft and drive 100 feet of drifts and/or crosscuts.
Amount requested: $8,750.00.

Operator: Mine Creek Mica Miners
C/o B. G. Thomas
Spruce Pine, North Carolina

Operator's Property rights:
Mining lease for 5 years dated July 21, 1954, on the G. W. Howell property covering 6 acres more or less.
Owner's Consent to Lien dated July 21, 1954.

2. Contract: Form MF-200A (June 1954) dated October 5, 1954.
Work authorized:

Bulldoze trenches, 20 hours @ $10.00/hr	$ 200.00
Drill 150 feet of NX D. C. Holes @ $10.00/ft	1,500.00
Construct tool-hoisthouse	74.00
50 feet of incline shaft @ $45.00/ft	2,250.00
60 feet of drift and/or crosscuts @ $35.00/ft	2,100.00
Total cost of project	$6,124.00
Government participation @ 75%	$4,593.00

Amendments:
No. 1 - January 28, 1955 Amount of diamond drilling is increased from 150 feet to 300, increasing the total cost of project to $7,624.00, Government participation $5,718.00.

Work completed:

Bulldozing	$ 200.00
Construction: tool-hoisthouse	74.00
294 feet of NX diamond drill holes	2,940.00
8 feet of incline	360.00
Total accepted cost	$3,574.00
Government participation	$2,680.50

Work began October 27, 1954 and was terminated by mutual consent effective March 28, 1955.
Field Team final report received June 29, 1955.
Operator's final report waived.
Value of production during operation estimated at $65,000.00
Royalty paid - $2,680.50, or all of the Government contribution.
No equipment purchased under contract.

3. Audit: Report of Review issued July 11, 1955.

Accepted cost	$3,574.00
Government participation	$2,680.50

4. Certification of discovery issued_____
Mica reserves - Impossible to determine
May be considerable

5. Comments:

How conducted: All work in which the Government participated is acceptable. Only as much work was done as was necessary for certification. Work laid out in 3 stages.
Stage III was not undertaken.

Operation: Good

Engineering: Operator did not submit a final report. However, interim reports were acceptable.

Geological premise: Two diamond drill holes intersected the postulated pegmatite.

Geological criteria upon which work was based:

1. Presumed pegmatite which does not outcrop. Extends 200 feet along strike from adjoining rather large producer, the Howell Mine. Pegmatite (George Howell Mine) is a tongue-like body, 250 feet long, 3 to 7½ feet thick and 60 feet wide.
2. Mica - of excellent quality, all of small sizes.
3. Past production - unknown - but considerable

Criteria developed during project:

1. Pegmatite: Bulldozing exposed a 2 to 3 foot thick pegmatite. Pegmatite pinched out at 10 feet in depth. Stage II then was done. Mica-bearing pegmatite 3 to 4 feet thick was penetrated by the 2 diamond drill holes. It is thought this is the same pegmatite being mined at the George Howell Mine.
2. Mica: strategic grade. Associated minerals - quartz, plagioclase and red garnet.

Future possibilities: Additional exploration work is not necessary. Production is economically feasible.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation to certify the project. The Commodity Members of the Geological Survey and Bureau of Mines concur.

Walter C. Anderson

Walter C. Anderson, Mining Engineer

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DATE	INITIALS	CODE
1-25	[illegible]	770
"	[illegible]	710
	[illegible]	[illegible]
	[illegible]	
		[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

January 22, 1960

Memorandum

To: Operating Committee, OME - Washington, D. C.

From: OME Field Team, Region V - Knoxville, Tennessee

Subject: Mica production of certain GSA [illegible]

As requested in Mr. Johnson's memorandum of January 13, the best available data on production of [illegible] GSA projects have been compiled, and are presented in the table which accompanies this memorandum.

We would suggest addition of three [illegible] to the list, as they made significant contributions [illegible] totals purchased by GSA. They are:

GSA No.	Mine	Trimmed Mica Pounds	Trimmed Mica Value	Hand cobbed Pounds	Hand cobbed Value
1876	Cattail	9620.26	$149,957.57	—	—
4377	Self	1814.10	36,196.34	65,493.00	[illegible]
2917	Allman Cove	3764.52	65,526.99	—	—
4337	Hawk	3689.30	68,589.12	—	—

[illegible] included with trimmed mica; not available separately.

Robert A. Laurence
Robert A. Laurence,
Executive Officer, OME-Region V

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

MICA PRODUCTION OF CERTAIN TMEA PROJECTS

TMEA No.	MINE Name	Trimmed Mica Pounds	Trimmed Mica Value	Hand Cobbed Pounds	Hand Cobbed Value	REMARKS
1388	Hughing	1365	$20,377	533,869	$122,724	Not operating
1665	Chalk Hill	18,622	$437,004	---	---	Not a certified project. No hand cobbed mica sales reported.
2379	Sinkhole	73,82[illegible]	$1,144,881	15,266	---	Mine still operating
2466	Elk	8,132	$1[illegible],628	14,461	$19,694	Not operating.
2587	Iotla Bowers	20,595	$207,101	---	---	No hand cobbed sales reported
2914	Rev. Thaddeus Persons	2,257	$ 37,947	2,000	---	Value of hand cobbed mica included in trimmed mica.
2926	Engle Cope	4,691	$ 62,961	14,930	$1,118	Not operating
3157	Chas. Robinson	11,506	$138,087	180,932	$152,946	Not operating
3422	R. B. Phillips	48,868	$841,104	145,169	---	Value of hand cobbed included in with trimmed.
3425	Geo. Howell	14,750	$240,667	56,214	$176,772	Not operating
3[illegible]74	Dycus	5,018	$ 67,[illegible]78	96,114	$ 25,055	Not operating
3856	Harris	15,039	$192,878	8,240	1,475	Not operating
4534	Taylor	9,281	$116,254	158,717	---	Still operating. Value of hand cobbed included with trimmed.
4901	Banner	38,540	$624,734	---	---	Still operating. Only trimmed mica sold.

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9/15	N.J.	225
15	Cam	100
"	FY	110
MINE	[illegible]	800
		600

DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3425, Idm-E719 (mica) GEORGE HOWELL MINE
Mitchell County, North Carolina

Reporting Period: January 1, 1958 to July 1, 1958

Date of Examination: July 31, 1958.

Operators: Mine Creek Mica Miners, Spruce Pine, North Carolina.

The Operator repaid his obligation to the Government in the amount of $2,680.00 on June 15, 1955.

No work has been done on the property during this period. The final settlement on one sale of hand cobbed mica that had not been made at the time of the last inspection, has been paid and is included in the summary below:

DMEA Production to date:

Type mica	Pounds	Value
Sheet	14,750.17	$240,667.93
Hand cobbed	56,214.00	176,771.94
Punch	9,634.50	980.53
Scrap	36,757.00	497.38
Total....	117,355.67	$418,917.78

Wm. A. Beck, Mining Engineer
Bureau of Mines (DMEA)

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DATE	INITIALS	CODE
~~4/24~~		~~600~~
4/24	HG	225
25	COM	106
"	HH	110
4/28	[illegible]	800
		600

DMEA EXPLORATION PROJECT

Semi-Annual Report of Certified Project

DMEA-3425, Idm-E719 (mica)

GEORGE HOWELL PROSPECT No.2
Mitchell County, N. C.

Reporting Period: 7-1-57 to 1-1-58
Operators: Mine Creek Mica Miners, Spruce Pine, North Carolina

The Operator repaid his obligation in the amount of $2,680 on June 15, 1955.

The production listed below includes all production from the property since the first sale September 3, 1952.

The writer conferred with Roy Grindstaff, one of the Operators March 27, 1958. He said the mine had not been in operation since early in November 1957.

	Type mica	Pounds	Value
Production this period:	Sheet	577.18	$11,257.08
	Hand cobbed*	2,366.00	296.28
	Punch	1,528.50	153.77
	Scrap	9,680.00	145.20
	Total	14,151.68	$11,852.33
Production Previous:	Sheet	14,172.99	229,410.85
	Hand cobbed	53,848.00	176,062.14
	Punch	8,106.00	826.76
	Scrap	27,077.00	352.18
	Total..	103,203.99	$406,651.93
Production to date--	Sheet	14,750.17	240,667.93
	Hand cobbed*	56,848.00	176,358.42
	Punch	9,634.50	980.52
	Scrap	36,757.00	497.38
	Total...	117,355.67	$418,504.26

* Includes one sale on which final payment has not been made.

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W A Beck

Wm. A. Beck, Mining Engineer
Bureau of Mines (DMEA)

April 22, 1958

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DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3425, Idm-E719 (mica)

GEORGE HOWELL PROSPECT No.2

Reporting Period: 1-1-57 to 7-1-57 Inspected: Oct.22, 1957

This property was visited October 22, 1957. At that time mining was being done in the original shaft. The recovery of mica was not good and they were just about breaking even in their operation. Mr. Roy Grindstaff, one of the partners in the operation told the writer they would cease operations there at the end of the week.

Production this Period:

Type Mica	Pounds	Value
Sheet	1,216.20	$19,883.70
Punch	3,568.00	356.80
Scrap	5,730.00	85.95
	10,514.20	$20,326.45

Previous Production from 9-3-52:

Sheet	12,956.79	$209,527.15
Hand cobbed	53,848.00	176,062.14
Punch	4,538.00	469.96
Scrap	21,347.00	266.23
	92,689.79	$386,325.48

Production to date:

676 Tons

Sheet	14,172.99	$229,410.85
Hand cobbed	53,848.00	176,062.14
Punch	8,106.00	826.76
Scrap	27,077.00	352.18
Total	103,203.99	$406,651.93

On June 14, 1955 the Operator repaid his obligation to the Government in full. The production listed above includes all production since the first sale September 3, 1952. Very little, if any, mica was obtained from that portion of the property where the DMEA work was done.

W A Beck

Wm. A. Beck, Mining Engineer
Bureau of Mines

12/13/57

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DMEA EXPLORATION PROJECTS

Semi-Annual Report of Certified Projects

Reporting Period 2/14/56-1-1-57 Date of Examination: 1-25-57

Mine Name: George Howell Prospect No.2. Operator: Mine Creek Miners, Spruce Pine, N.C.

County: Mitchell State: North Carolina

DMEA-3425 Contract No. Idm-E 719 Commodity: mica

Date of Contract: 10-5-54 Date of Certification 8-31-55

Expiration Date of Royalty Payments: 10-5-64

Total Amount of Contract: $7,624.00

Total Expenditures under contract: $3,574.00

Amount of Government Participation at 75 % $2,680.50

Royalty Payments this Period: none Previously Paid

Previous Royalty Payments : $2,680.50

Total Royalty paid to Date : $2,680.50

Percent Government Participation Repaid: 100%

Royalty Due on Production to Date: None

Royalty Remarks: On June 15, 1955 the Operator repaid his obligation in full.

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		~~100~~
		225

Production this period:

Kind	Pounds	Value
Sheet	317.30	$5,860.92
Punch	1,000.00	50.00
Scrap	667.00	10.00
Total	1,984.30	$5,920.92

Previous Production from 9-3-'52

Sheet	----	203,666.23
Hand cobbed	53,848	176,062.14
Punch	3,538	419.96
Scrap	20,680	256.23
Total	78,066	$380,404.56

80,050.30

Total Production to date:

	Value
Sheet	$209,527.15
Hand cobbed	176,062.14
Punch	469.96
Scrap	266.23
Total	$386,325.48

Production Remarks: In the early days of the mica buying program, the GSA Depot did not record the quantity of mica in their ledger, thus, only the value was obtained.

Mr. Roy Grindstaff one of the partners in the organization stated they lost $20,000 during the past year in their operations at this mine. He stated they were now robbing the back in preparation to abandoning the mine.

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

2/4/57

zm

RECEIVED
JUN 2 0 1956

SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

Reporting Period: To February 14, 1956. Date of Examination: February 14, 1956

Operator: B. G. Thomas, Roy Grindstaff, Allen Parsley and R. C. Thomas d/b/a Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Mine Name: George Howell Prospect No. 2

County and State: Mitchell County, North Carolina

Docket Number and Commodity: DMEA-3425, Mica

Contract Number: Idm-E719

Date of Contract: October 5, 1954

Date of Certification: August 31, 1955

Expiration Date of Royalty Payments: October 5, 1964

Total Amount of Contract: $7,624.00

Total Expenditures under Contract: $3,574.00

Amount of Government Participation @ 75% $2,680.50

Royalty Payments this Period: None

Previous Royalty Payments: $2,680.50

Total Royalty Payments to Date: $2,680.50

Percent Government Participation Repaid: 100%

Royalty due on Production to Date: None

Royalty Remarks: On June 14, 1955, the Operator repaid his obligation in full.

Original Estimate of Reserves (from final Engr.-Geol. Report): The project did not furnish sufficient data to enable the calculation of mica reserves. However, the reserves may be considerable.

Production Remarks: No production has been made from that portion of the George Howell property on which the Government's exploration work was done.

The George Howell mine was worked during World War II and reopened in the summer of 1952. The first sale of mica from this later operation was made to the Government Mica Buying Depot on September 3, 1952. The mine has been in continuous operation since that time and has produced $379,728.37 worth of sheet and hand cobbed mica to September 15, 1955. No production has been made in recent months as the Operator had been trying to develop an ore body on the George Howell Prospect No. 2.

Other Remarks: The Government entered into a contract with this Operator to do a certain amount of bulldozing, diamond drilling, shaft sinking and drifting on a tract of land known as the George Howell Prospect No. 2. The land covered by the contract extended to and overlapped the workings of the George Howell mine. This mine was then producing better than $30,000.00 worth of mica per month. After doing the diamond drilling, bulldozing, and sinking the shaft 8 feet the Operator realized that it was not to his advantage to have a contract, as the royalty on his production would maintain his account paid up. A mutual termination agreement was signed effective March 28, 1955, and the Operator paid the Government its royalty of $2,680.50 in full.

After termination of the contract the Operator sank the shaft to a depth of 154 feet. At the 100-foot level a drift was driven 100 feet to the northeast and at the 154-foot level 100 feet of drifting was done to the northeast and 100 feet to the southwest. No mica was produced during any of this work. They have now pulled out of the George Howell Prospect No. 2 completely and have started back into the George Howell No. 1 mine.

Wm. A. Beck

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

g

IN REPLY REFER TO:

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

RECEIVED
OCT 5 - 1955

October 4, 1955

Re: DMEA 3425, Idm-E719
Mine Creek Mica Miners
George Howell Prospect No. 2
Mitchell County, N. C.
$8,750 - Mica

Memorandum

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

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final report.

The application for assistance on exploration of this pegmatite afforded little information from which it could be inferred an extension of a productive pegmatite was to be the target.

The program proposed by the examiners for the prospect was well fitted to ground with unpromising surface indications. The program, based on consideration of the peculiar fluting of the wall rock disclosed by mining at the adjoining George Howell mine paid off as a result of persistent, though small in amount, diamond drilling.

The total cost of the work done was $3,474.00 and production, presumedly from the George Howell mine, amounted to $65,000 (estimated). The royalty paid amounted to that accrued, $2,605.50, so the certification was a formality only, but a significant one.

I concur with the conclusion of the Field Team that a certificate of discovery was in order.

N. E. Nelson

N. E. Nelson

Docket Copy
Surname:
Alley
Talbert
Zikmund
Yoder
Kulogaard
Selfridge

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

SEP - 1 1955

Mr. B. G. Thomas
Mine Creek Mica Miners
Spruce Pine, North Carolina

Re: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect No. 2
Mitchell County, North Carolina
Contract No. Idm-E719

Dear Mr. Thomas:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E719 on the George Howell Prospect No. 2, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the date of the Exploration Project Contract, October 5, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of $2,680.50 is paid or until October 5, 1964, whichever occurs first. During the month of June 1955, however, you paid royalty in the amount of $2,680.50, thereby liquidating the amount advanced by the Government.

I wish to congratulate you for a successful exploration and to thank you for the payment of your account under the contract. It has been a pleasure to participate with you in this very fine undertaking.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

WCAnderson)
AMAlley):ama 8/24/55

Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee

Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Geehan, 3608
Mr. Houk
Mr. Anderson

R.C.H.

Docket Copy
Surname:
Anderson
F. L. Kusner

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

Mr. B. G. Thomas
Mine Creek Mica Miners
Spruce Pine, North Carolina

Re: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect No. 2
Mitchell County, North Carolina
Contract No. Idm-E719

Dear Mr. Thomas:

Transmitted herewith is a certification of discovery or development under Contract No. Idm-E719 on the George Howell Prospect No. 2, Mitchell County, North Carolina.

By the terms of the Exploration Project Contract and of the certification, all production from the date of the Exploration Project Contract, October 5, 1954, is subject to the Government's percentage royalty as set forth in the contract until the sum of $2,680.50 is paid or until October 5, 1964, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, Defense Minerals Exploration Administration Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward check to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Laurence of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Laurence at six-month intervals that no production has been made.

Sincerely yours,

Administrator

Enclosure

WCAnderson:gad 8/17/55
Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Geehan, 3608
Mr. Houk
Mr. Anderson

Docket Copy
Surname:
Anderson
Jones
Kilsgaard
Selfridge
Talbot

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

SEP - 1 1955

Mr. Clarence A. Fredell, Acting Director
Materials Division
Emergency Procurement Service
General Services Administration
7th and D Streets, S. W.
Washington 25, D. C.

Re: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect No. 2
Mitchell County, North Carolina
Contract No. Idm-E719

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject contract.

The exploration contract was signed on October 5, 1954, with the Government participating to the extent of 75 per cent of $6,124.00 or $4,593.00. The project was started on October 27, 1954, and terminated by mutual consent, effective March 28, 1955, after the expenditure of $3,574.00 which is the total net accepted cost according to the Audit Review. The Government paid 75 per cent of the total accepted cost or $2,680.50. This amount has been fully repaid from royalties on production.

The work performed on this project consisted of bulldozing a trench, two NX diamond drill holes totaling 294 feet and 8 feet of incline shaft. The drill holes intersected a three to four feet thick mica-bearing pegmatite at approximately 70 and 105 feet below surface which appears to be an extension of the George Howell Mine pegmatite located within the area of the contract and is currently being worked. The project did not furnish sufficient data to enable the calculation of mica reserves. However, the reserves may be considerable.

The DMEA is of the opinion that the project work was of definite benefit to the property and, therefore, we have certified that a discovery or development resulted from the work.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:gad 8/18/55

Copy to: Admr. R. File
Docket
Mr. Johnson
Mr. Chambers
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.G.S.

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

July 12, 1955

RECEIVED
JUL 13 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3425 (mica)

Applicant: Mine Creek Mica Miners

Name and Location of Property: George Howell Prospect No. 2
Mitchell County, North Carolina

Contract Number: Idm-E 719

Date of Field Team Report: April 19, 1955

Date Rec'd by Br. of Ceramic and Fertilizer Materials: July 6, 1955

Field Team Recommendation: Recommend certification of discovery

Comments:

1. Mica was recovered during DMEA exploration.

2. Expenditures - Total approved $7,624.00
Total cost 3,474.00
Gov't share of the cost 2,605.50
Value of production during operation 65,000.00 (Est)

Recommendation:

I concur with the field team's recommendation.

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 1055 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 27, 1955

RECEIVED
JUN 29 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 5, Knoxville, Tennessee

Subject: Final Field Team Report, DMEA-3425, Idm-E719 (mica)
Mine Creek Mica Miners, Spruce Pine, N. C.
George Howell Prospect No. 2, Mitchell County, N. C.

Enclosed are four copies of the Field Team final report on the subject project, which was terminated, by mutual agreement, with only about one-third of the proposed work completed. We are waiving the requirement for the Operator's final report, as the only new information of importance was that obtained from the drill cores, which our examiners logged.

Although it is doubtful if a discovery could be claimed on the basis of the contract work alone, considerable reserves do exist on the property as indicated by the drilling and the underground development done at the Operator's own expense. Certification of discovery is recommended. However, we have already received a royalty payment equal to the 5% of the entire amount contributed by the Government.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-6-55
(date)

nc

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
JUN 29 1955

Final Field Team Rpt.

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT BY FIELD TEAM
REGION V

On

DMEA-3425 (mica) GEORGE HOWELL PROS. No.2
Mitchell County, N. C.

By

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

and

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

Reviewed by
DMEA OPERATIONS COMMITTEE
7-6-55
(Date)

April 19, 1955

RECEIVED
JUN 29 1955

FINAL REPORT
On
DMEA-3425, Idm-E719 (mica) George Howell Pros. No. 2

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, N. C. The prospect is on the southwest sideof Mine Creek about 1.2 miles S. 10° E. of Mine Creek Church.

Two stages of a three stage contract were completed, with successful results. As production from mining activity on the area covered by the contract has produced mica valued at considerable more than royalties needed to repay the Government's share of the cost of exploration, the Operator requested that the project be terminated by mutual consent. Certification of a discovery is recommended. Additional Government assistance is not warranted, although the Operator is continuing development work at his own expense. Production is economically feasible.

This project began on October 27, 1954, and was terminated by mutual consent effective March 28, 1955. Work accomplished consisted of cutting a bulldozer trench which is 100' x 15' x 10' deep, which exposed a 2 - 3 foot mica-bearing pegmatite that trends N. 60° E. and dips steeply southeast. All of the mica recovered was in small sizes.

The amount of pegmatite exposed seems to warrant by-passing Stage II; therefore, the Operator was permitted to begin sinking on the pegmatite. The pit was sunk to a depth of 10 feet, at which point the pegmatite pinched out entirely. This pegmatite consists of a series of pod like lenses which are connected by thin stringers. When the pit had reached a depth of 10 feet, the examiners and Operator decided that Stage II (drilling) would be necessary.

Under Stage II, as originally allowed in the contract one 150-foot hole was allowed. This hole was drilled at a -54° angle in a N. 35° W. direction. Pegmatite was intersected at several points in the hole; however, none was sheet mica-bearing. The contract was amended to allow for a second hole drilled from the same site as Hole No. 1, and in the same direction, but on a -74° angle. Hole No. 2, cut sheet mica-bearing pegmatite between 131.3 and 135.2 feet. This pegmatite has been tentatively correlated with the one cut between 93 and 96.2 feet in Hole No. 1.

At the successful completion of Stage II, a shaft was spotted 40 feet southwest of the section cut by Holes Nos. 1 and 2, and located to intersect the pegmatite at approximately 100 feet from the surface. Under Stage III only the toolhouse was constructed and 8 feet of shaft sunk. Decision to terminate was made at this time.

In addition to pegmatite, rocks exposed in the immediate vicinity of the prospect consists of mica gneiss and schist, hornblende gneiss and mica-kyanite gneiss. All of these rock types are generally mixed to a greater or less extent in the hanging wall zone, but only mica-kyanite is present northwest (footwall zone) of the mica-bearing pegmatite. This condition is present, not only at the prospect, but also at the operating George Howell Mine. Several non mica-bearing pegmatites are present above the producing zone. The attached section shows the assumed correlation of rock types cut in drill holes nos. 1 and 2. Logs of these holes are attached to this report.

In general, certain positive conclusions may be drawn from drilling results and a study of the operating mine. The mica producing zone trends from N. 20° E. to N. 55° E. and dips from 55° SE to near vertical. Two rich mica shoots have been worked at the George Howell Mine and a third is known to occur as a result of the drilling. The shoots rake at a very low angle to the southwest and, in the two already worked, are terminated abruptly to the southwest and northeast by near vertical "pinch-outs." Similar horizontal "pinch-outs" are probably present above and below the mica shoots. ~~The two shoots mined are probably present above and below the mica shoots~~. The two shoots mined have dimensions as follows: length---100 feet, width---40-60 feet, thickness---3-5 feet. All mica bearing pegmatite observed is conformable to the enclosing rock.

None of the pegmatite cut in the two holes above the mica pegmatite appear to contain commercial sheet mica. In the mica pegmatite the hanging wall half appears to be richer in mica than the remainder.

The Operator has driven a level southwest under the section cut by the two holes at approximately the 2640-foot level. This is about 105-feet below the point that mica pegmatite was cut in Hole No. 2. This indicates that the mica zone has been delimited so far as vertical extent in this area is concerned, suggesting that the width is less than 80 feet in this area.

Reserve discovered by this project are impossible to determine with the present data, although they may be considerable.

Expenditures:

(a)	Total approved	$7,624.00	
(b)	Total Cost of Project	~~3,474.00~~	3574.00
(c)	Government's share of cost	2,605.50	2680.50
(d)	Government's share unexpended	~~3,112.50~~	3,037.50
(e)	Value of production during operation (Esti.)	65,000.00	
(f)	Royalty received to date	2,605.50	2680.50

The operation was conduted in a competent and efficient manner. The operator gave his full co-operation at all times.

No equipment was purchased under the contract.

April 19, 1955.

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

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

RECEIVED
JUN 29 1955

LOG HOLE No. 1

0 - 7 ft.	Overburden
7 - 8 "	Biotite Gneiss
8 - 20 "	Pegmatite-medium coarse grained containing perthite, plagioclase, quartz, and small books of biotite and muscovite. Mica books all less than 1 inch in diameter.
20 - 26 "	Mica gneiss
26 - 36.8 "	Mixed mica and hornblende gneiss, mostly hornblende
36.8-40 "	Pegmatite-medium coarse grained containing plagioclase, quartz, and small muscovite. Mica books less than 1" in diameter.
40-47 "	Hornblende gneiss
57 - 62 "	Mica gneiss
62 - 63 "	Pegmatite containing small muscovite
63 - 66.3 "	Pegmatite
66.3-71 "	Mica-kyanite schist
71 - 71.5 "	Pegmatite
93 - 96.2 ft.	Pegmatite medium coarse-grained containing quartz, plagioclase, red garnet and muscovite scales. It is thought that this is the pegmatite which is being mined at the George Howell Mine.
96.2-187 ft.	Mica-kyanite gneiss and schist.

The Operator drilled from 150 feet to 187 feet at his own expense.

RECEIVED
JUN 29 1955

LOG HOLE No. 2

0-9 ft. Overburden

9-24" Pegmatite, medium coarse grained containing ~~perthite~~, plagioclase, quartz, red garnet, and small muscovite and biotite books.

24.6-44 ft. Hornblende gneiss

44- 46 ft. Pegmatite, medium coarse-grained containing plagioclase, red garnet and small books of muscovite

46-64.6 ft. Hornblende gneiss

64.6-67.9 ft. Fine-grained mica gneiss

67 - 80.5 ft. Pemgatite, coarse plagioclase, quartz, red garnet and mica. All mica less than 1" in diameter. Some biotite is present between 75-80 ft.

80.5-93 ft. Coarse mica gneiss.

93-99 ft. Mica kyanite gneiss

99-99.8 ft. Pegmatite

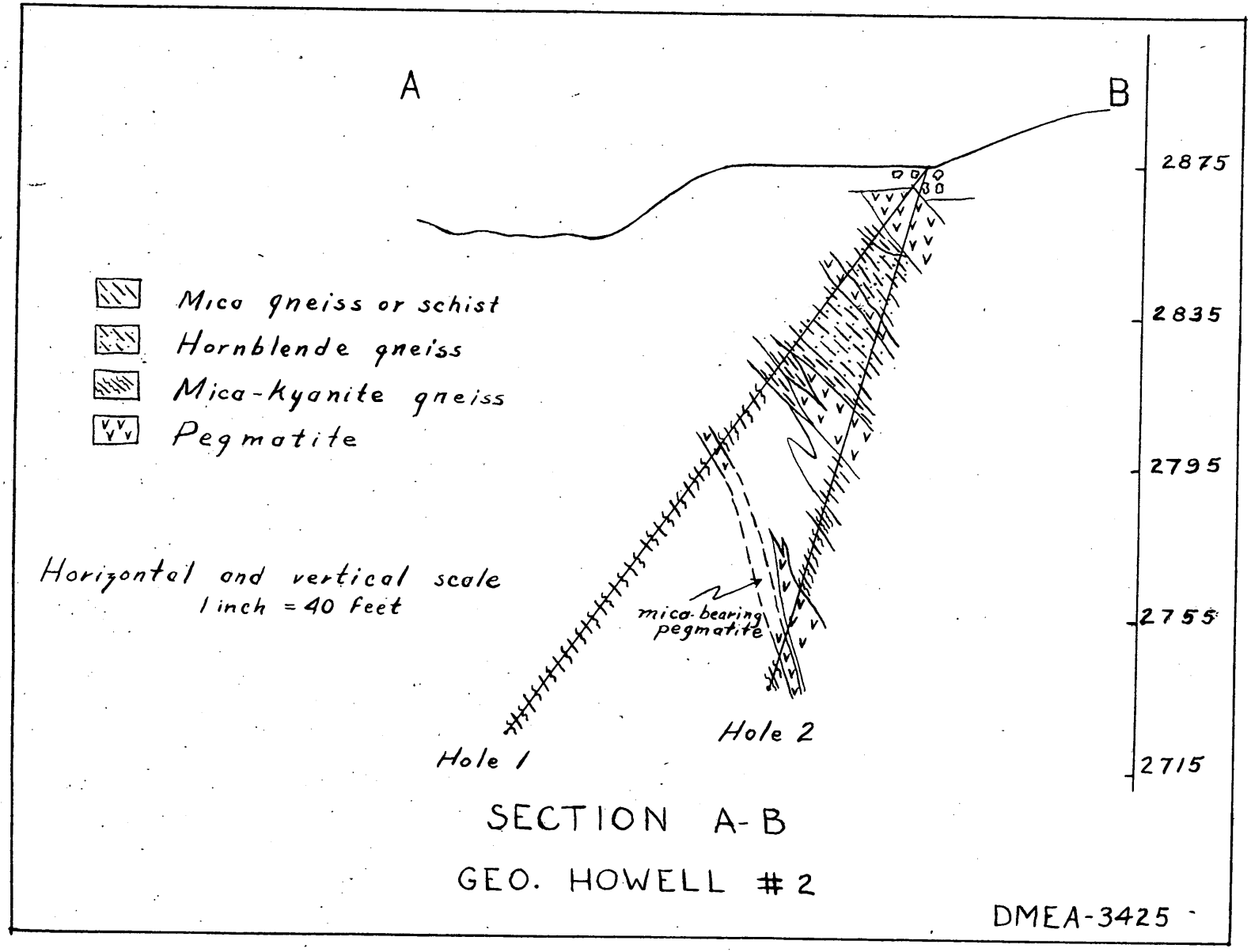
99.8-116.7 ft. Mica kyanite gneiss.

116.7-130.9 ft. Pegmatite, coarse grained plagioclase, quartz, green and ruby mica, red garnet, and pyrite. Mica books are all less than 1.5" in diameter.

130.9-131.3 ft. Mica Gneiss

131.3-135.2 ft. Pegmatite, coarse grained plagioclase, quartz, muscovite and red garnet. Mica very abundant 131.3-132.8 ft. with one block cored normal to cleavage having 3 inch thickness. This is apparently the pegmatite being mined at the George Howell Mine,

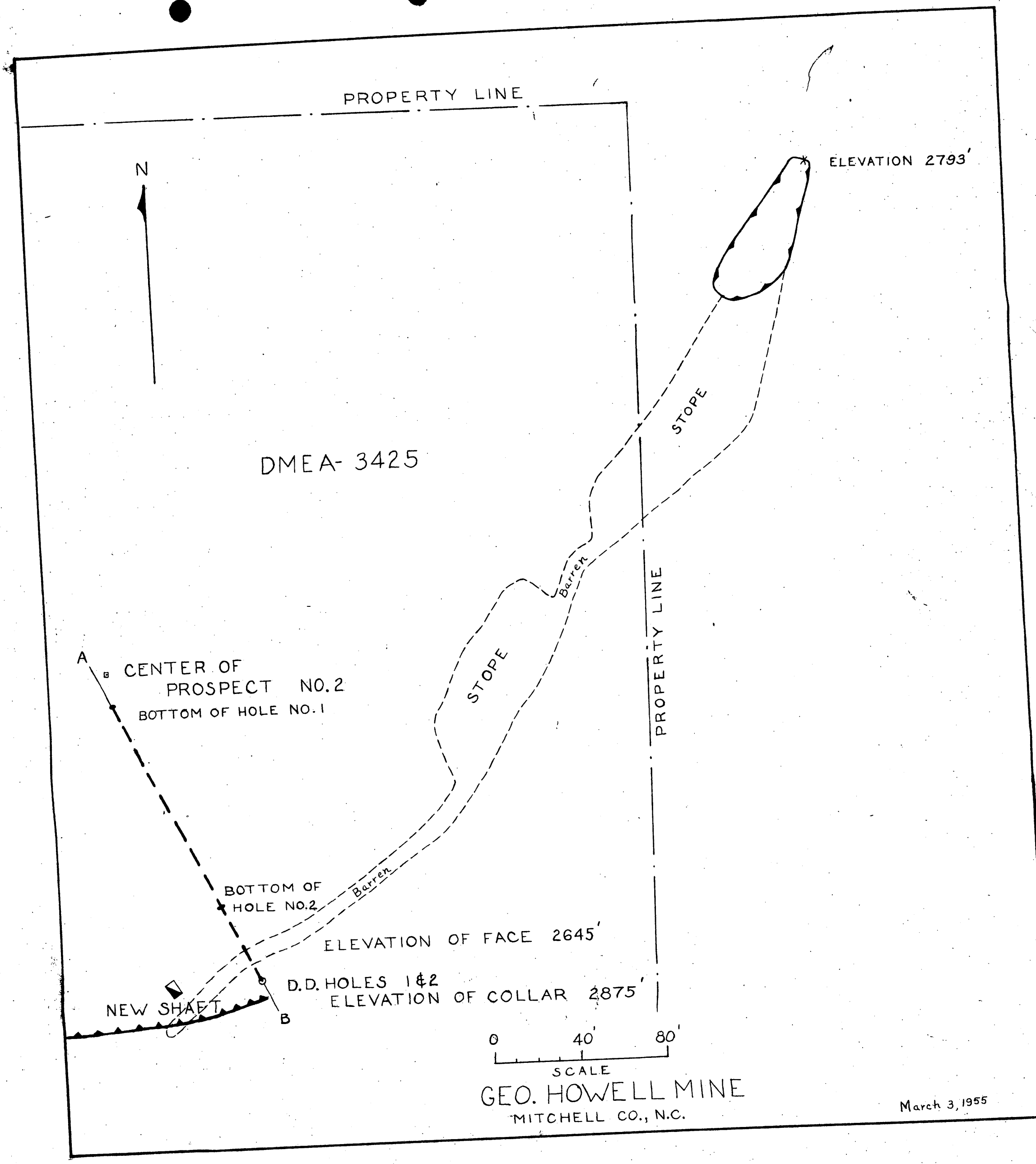
135.2-144 ft. Mica kyanite gneiss.



SECTION A-B

GEO. HOWELL #2

DMEA-3425


PROPERTY LINE
N
ELEVATION 2793'
STOPE
DMEA- 3425
Barren
PROPERTY LINE
A
CENTER OF
PROSPECT NO. 2
BOTTOM OF HOLE NO. 1
STOPE
BOTTOM OF
HOLE NO. 2
Barren
ELEVATION OF FACE 2645'
D.D. HOLES 1 & 2
ELEVATION OF COLLAR 2875'
NEW SHAFT
B
0
40'
80'
SCALE
GEO. HOWELL MINE
MITCHELL CO., N.C.
March 3, 1955

For Certificate of Deposit No. 109, dated June 14, 1955, giving royalty repayment of $2,680.50, see E-692.

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

RECEIVED
JUN 16 1955

June 14, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer - Knoxville

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

Subject: Royalty payment in full on DMEA-3425, Idm-E719 (mica)
Mine Creek Mica Miners, Geo. Howell Prospect No. 2
Mitchell County, N. C.

Transmitted is a check for $2,680.50, from Mine Creek Mica Miners, Spruce Pine, North Carolina, representing royalty payment for the entire amount due from the subject contract which has been terminated. Sales slips were not enclosed, we will get them from the Operator as soon as possible.

Robert A. Laurence

RAL/xx
cc:
Lynch
Eddins
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1055 POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

May 12, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 5, Knoxville, Tennessee

Subject: Termination Agreement - DMEA-3425, Idm-E719 (mica)
Mine Creek Mica Miners, North Carolina

Transmitted are three signed copies of the subject Termination Agreement. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

DOCKET FILE
Surname:
Anderson
Houk
Chandler
Selfridge
G Johnson
Matthews

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

MAY - 2 1955

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect No. 2
Mitchell County, North Carolina
Contract No. Idm-E719

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of April 12, 1955, requesting permission to terminate the subject contract.

We have prepared and enclosed herewith the original and five copies of a Termination Agreement for your signature. If it meets with your approval please sign it in behalf of the Government and present it to the Operator for approval and signature.

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

Sincerely yours,

George C. Selfridge
By ES7
Chairman, Operating Committee

Approved:
/s/ Robert W. Geehan
By ES7
Member, Bureau of Mines

Thor H. Kiilsgaard By ES7
Member, Geological Survey

Enclosures 6

WCAnderson:ad 4/27/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RCh.

April 19, 1955

Memorandum

To: Mr. J. L. Hoffland, Acting Assistant Solicitor

From: Nonmetallic Minerals Division

Subject: Termination Agreement - Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
Mitchell County, North Carolina
Contract No. Idm-5719

Please prepare Termination Agreement to the subject contract to be signed by the Executive Officer, DMEA Field Team, Region V, pursuant to his request in memorandum of April 12, 1955.

Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:ad 4/19/55
Copy to: Admr. R. File
Docket
Mr. Houk

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

April 12, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3425, Idm-E719 (mica) Mine Creek Mica Miners
George Howell Prospect No. 2, Mitchell County, N. C.

Enclosed are 4 copies of the latest interim report on the subject contract.

Permission is requested to terminate this contract effective March 28, 1955. Certification will be recommended. The Operator agrees to the termination.

Royalties due from production on this property already exceed the entire amount spent, and any future vouchers would simply result in an exchange of checks between the Government and the Operator.

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

V. J. Lynch
V. J. Lynch, Member
DMEA Field Team, U. S. Bureau of Mines

INTERIM REPORT

DMEA-3425, Idm-E 719 (mica) GEORGE HOWELL PROSP. No. 2

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, N.C. It is on the southwest side of Mine Creek, about 1.2 mils S. 10° E. of Mine Creek church.

Vertical shaft sinking continues on this contract and is now at 19.5 feet. The shaft bottom contained water and was not examined. The mine foreman reported that the entire shaft cross-section is now in country rock, having passed through the narrow pegmatite stringer previously reported. The shaft has been cribbed to near bottom.

A tour was made through the George Howell Mine # 1 while in the vicinity.

Lawrence G. Houk and Thor H. Kiilsgaard accompanied the examiners on this visit.

Visited: March 28, 1955.

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

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

z

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

March 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 5, Knoxville, Tennessee

Subject: DMEA-3425, Idm-E719 (mica) Mine Creek Mica Miners
Geo. Howell Pros. # 2. Mitchell County, N. C.

Reference is made to your letter of March 10.

As Mr. Kiilsgaard will be here next week, we plan to include the George Howell mine on his itinerary. Accordingly, we will discuss the questions in the letter with him, consult with the Operators at that time, and reply to your letter after that.

Under the circumstances, it would appear best for the Operator to request termination of the contract. This will be suggested to him.

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

V. J. Lynch
V. J. Lynch, Member
DMEA Field Team
U. S. Bureau of Mines

INTERIM REPORT

DMEA-3425, Idm-E719 (mica) GEO. HOWELL PROS. No.2

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, N. C. It is on the southwest side of Mine Creek, about 1.2 miles S. 10° E. of Mine Creek Church.

Vertical shaft sinking continues on this contract and is now at 13.5 feet. The shaft has been cribbed to near bottom with 2" x 6" sawed oak timbers, notched at the corners. A separated partition and ladders have not been started as yet. The bottom of the shaft contained water from recent heavy rains and could not be examined. Dump material observed indicates the continued presence of the narrow pegmatite stringer mentioned in the last interim report.

Progress is satisfactory on this contract.

Inspected: March 17, 1955

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

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

z

Docket Copy
Surname:
Houk
Selfridge
Kilsgaard
Hedges

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

600

MAR 17 1955

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
Mitchell County, North Carolina
Contract No. Idm-E719

Dear Mr. Laurence:

Reference is made to your memorandum of March 10, 1955, enclosing four maps of the subject property.

It was our intention when the contract was written to receive royalty payments on all production from the area described in the contract. Royalty is due the Government on all production subsequent to the date of the contract, October 5, 1954. It is suggested that you confer with the Operators and resolve the question of how much royalty is due the Government. This case is not similar to the Calumet & Hecla and Schroeder Co. cases.

The enclosed map fails to clarify the relationship of the drill holes to the George Howell mining operation. The direction of the drill holes shown on the map appears to be N. 25 W., instead of N. 35 W. The elevation of the face of 2,645 feet places this opening 230 feet below the collar of the drill holes and 75 feet below the bottom of Hole No. 1. Are these elevations correct? We would appreciate a vertical projection through the stopes.

It is not believed that we would be justified in granting an amendment to the contract to provide an additional 50 feet of shaft sinking nor do we think that the 60 feet of drifting is justified.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)

Member, Geological Survey

LGHouk:gad 3/15/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.b.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1955

March 10, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3425, Idm-E719 (mica) Mine Creek Mica Miners
George Howell Pros. #2. Mitchell County, N. C.

Reference is made to your letter of February 14, 1955.

Enclosed are four copies of a map showing the boundary of the area included in the subject contract as determined by a survey by our field examiners. Shown in red on the map is the approximate extent of the workings on various significant dates.

There were, of course, unmined areas in the southwesterly stope on both October 5 and October 27 which cannot be shown because of lack of data, and which are now largely mined out as shown by the black outline. From this, it appears that sales of mica mined from the southwesterly stope after October 5, 1954 would be subject to royalty payments. It will be difficult to determine just what this amount is.

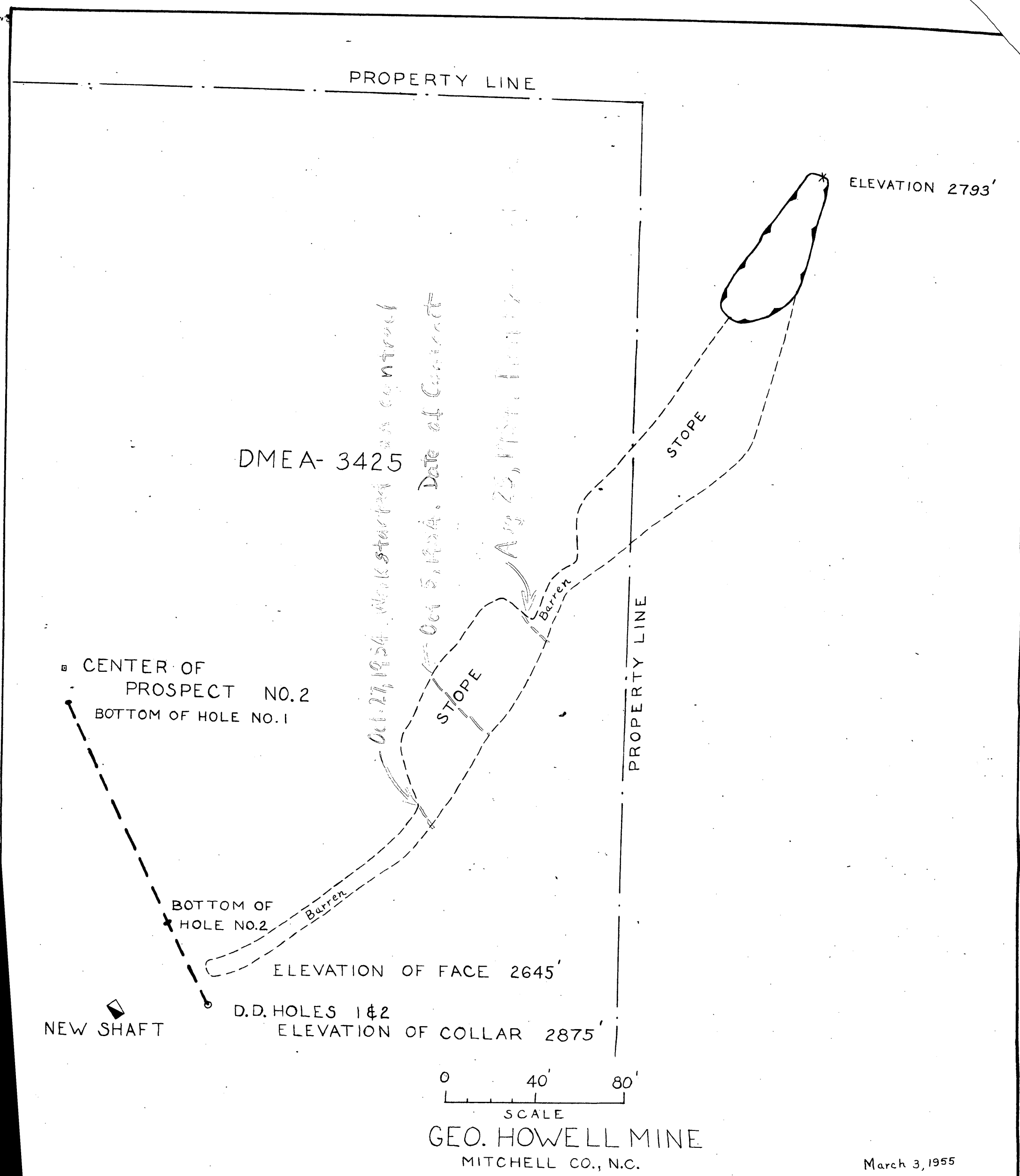
To us, it somehow does not seem quite fair to demand payment from the Operator for royalty on mica which was mined and sold before any work under the contract was begun, even though legally, he probably is liable for such payment. The pinching of the pegmatite at two places in the existing workings, indicates that the area being explored is on entirely different shoot (even though it is in the same pegmatite zone) from those being worked in the mine.

It appears to us that a decision on this should be considered along with such other contract as Calumet & Hecla, Schroeder Co., and others, who are objecting to payment under somewhat similar conditions.

V. J. Lynch, Member
Field Team, U. S.
Bureau of Mines

Robert A. Laurence
Robert A. Laurence

EXECUTIVE OFFICER
DMEA REGION V


PROPERTY LINE
ELEVATION 2793'
STOPE
DMEA- 3425
Oct. 27, 1954. Work started on contract
Oct 5, 1954. Date of Contract
Aug 25, 1954. Date
Barren
STOPE
PROPERTY LINE
CENTER OF
PROSPECT NO. 2
BOTTOM OF HOLE NO. 1
BOTTOM OF
HOLE NO. 2
Barren
ELEVATION OF FACE 2645'
NEW SHAFT
D.D. HOLES 1 & 2
ELEVATION OF COLLAR 2875'
0
40'
80'
SCALE
GEO. HOWELL MINE
MITCHELL CO., N.C.
March 3, 1955

INTERIM REPORT

ON

DMEA-3425, Idm-E719 (mica) GEORGE HOWELL PROS. NO.2

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, N.C., on the southwest side of Mine Creek, abour 1.2 miles S 10° of Mine Creek Church.

Vertical shaft sinking in the vicinity of recent core drill holes is underway on this contract and is now at 8 feet. Material encountered is primarily hornblende gneiss enclosing a 10-inch pegmatite stringer, which is composed of quartz and feldspar, barren of mica and is conformable to the country rock. Sinking will continue.

Equipment on the job consists of a double-drum gasoline powered hoist, a 105 c.f.m. air compressor with drilling accessories, and a conventional hoisting rig. Construction of a toolhouse is nearing completion. Progress on this contract is satisfactory.

Inspected: March 3, 1955

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

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

z

Form MF-10 (Rev.)
(April 1952)

Defense Minerals Administration
RECEIVED
MAR 14 1955

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-45

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of February, 1955 Docket No. DMEA 3425 Contract No. Idx-E719
Operator's Name B. G. Thomas et al. Minerals Mica
Address c/o B. G. Thomas, Spruce Pine, N. C.
Contract Amount, $ Government Participation: 75 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
150' Drilling @ 10.00 ft.	1500.00	1500.00	3000.00	1440.00	1500.00	2940.00
Bulldozing		200.00	200.00		200.00	200.00
Crosscutting						
Drifting						
8' Shaft @ 45.00 ft.	360.00		360.00	360.00		360.00
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Toolhouse	74.00		74.00	74.00		74.00
(8) Contingencies (specify):						
TOTALS	1934.00	1700.00	3634.00	1874.00	1700.00	3574.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 3-3-55 *Payee B. G. Thomas
Per B. G. Thomas Title Partner-Operator

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1405.50
Signature Helen R. Miller
(Authorized Certifying Officer)
Date 3-10-55 Vou. No.
(See other side)

468.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Tdm-E719 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date March 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date MAR 10 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of February 1955 Docket No. DMEA 3425 Contract No. Idr-E719
Operator's Name B. G. Thomas, et al. Minerals Mica
Address c/o B. G. Thomas, Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
8' Shafts @ 45.00	Ft.	360.00	8	360.00	8	45.00	50	45.00
Winzes								
150' Drilling: Core @ 10.00	Ft.	1500.00	150	3000.00	300	10.00	300	10.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing				200.00				200.00
TOTAL DISTRIBUTED COSTS				3560.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Toolhouse		74.00		74.00				
TOTAL COSTS		1934.00		3634.00				

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

Date 3-3-55 Operator B. G. Thomas

Per B G Thomas Title Operator

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

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S
Monthly Progress Report

February, 1955

DMEA-3425

Idm-E719

Work Accomplished:

We completed 150' drilling, making a total of 300'. We moved in air compressor, hoist and lumber and began sinking shaft. We lowered the shaft to a depth of 8', going most of the way in slate.

Feb. 1 - 4 : Drilled and blasted, completing 150' of drilling.

Feb. 21-28 : Moved in air compressor, hoist and lumber. Worked at toolhouse, then drilled, shot and mucked to lower shaft. Shaft was in slate most of the 8'.

MAR 14 1955

March 10, 1955

Mr. S. G. Thomas
Mine Creek Mica Miners
Spruce Pine, N. C.

Re: DMEA-3425, Idm-1719 (mica)
George Howell Prospect #2
Mitchell County, N.C.

Dear Mr. Thomas:

Your February Operator's monthly report and Voucher has been received in this office and is being sent to the finance office for payment with a deletion of $60.00.

Amendment No. 2 of the contract was made for the purpose of drilling a second hole on the property. It was not known how deep this hole would be so 150 feet was allowed at $10 per foot. As the hole was bottomed at 144 feet we cannot allow for payment in a greater amount.

Please correct your copy of the report to conform with this deletion.

Very truly yours,

R. A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

February 28, 1955

Memorandum

To: Operating Committee, DMEA - Washington, D. C.

From: Executive Officer, DMEA Field Team, Region V. Knoxville

Subject: Amendment No. 1. Idm-E719, DMEA-3425. Mine Creek Mica Miners.

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

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:
Houk
Selfridge
Hedges
Kiilsgaard

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

FEB 1 4 1955

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
Mitchell County, North Carolina
Contract No. Idm-E719

Dear Mr. Laurence:

Reference is made to the memorandum of February 7, 1955, on certification and location of the southwest drift face.

It is suggested an accurate survey be made to locate the property line underground in the George Howell Mine drift and that a map showing the position of the workings be submitted to this office. This situation points out the need to put property lines on the maps. A vertical projection in the plane of the drift would be helpful to this office to visualize the workings. We do not have a clear picture of the relationship of the drill holes to the George Howell mining operation and, therefore, will reserve our decision on the requested amendment until we have more facts.

It might be pointed out that a certification of discovery or development is not dependent upon finding indicated or measured reserves. See DMEA Circular 26, Supplement 2.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

LGHouk:gad 2/11/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.A.L.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 9 1955

February 7, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3425, Idm-E 719 (mica) Mine Creek Mica Miners,
George Howell Prospect No. 2, Mitchell County, N. C.

Reference is made to your letter of February 3.

It is unlikely that much, if any, mica produced from the George Howell Mine is subject to royalty, but it would take an accurate survey to determine this point. Please note that the sketch which accompanies the contract is not an accurate survey. It appears that the heading of the George Howell Mine may now be 20 or 25 feet across the line of the tract included in the subject contract, but as the pegmatite pinched out and the last 20 feet or so have been in dead country rock, we doubt that the Operators have actually obtained much mica from this tract. If some of it was from this tract, there are no records which would show what portion of the total output of the George Howell Mine it would constitute.

We do not think the two diamond drill holes constitute sufficient basis for either indicated or measured reserves, and therefore we do not think certification is justified at this time. While it is probable that the pegmatite cut by these drill holes is in the same zone as the main George Howell Mine, we cannot infer that it represents the same one, especially since that one has pinched out in the mine, and continued drifting in the zone has been in barren country rock.

As provided in the contract, the field examiners have given the Operator approval to begin Stage III. It is our opinion that the contract should be amended to provide the additional 50 feet of shaft-sinking.

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

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

Docket Copy
Surname:
Houk
Selfridge
Robinson
Mitchell

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

FEB 3 1955

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
Mitchell County, North Carolina
Contract No. Idm-K719

Dear Mr. Laurence:

Reference is made to your memorandum of January 25, 1955, transmitting latest interim report and recommending an additional 150 feet of NX drilling at $10.00 per foot, and 50 feet of additional shaft work at $45.00 per foot.

Amendment No. 1 was mailed to your office on January 28, 1955. From the information available to this office it appears that the mining operation from the George Howell opening is within the contract area, and all mica produced from the date of the contract, October 5, 1954, is subject to DMEA royalty. Since the two diamond drill holes have proven the extension of a George Howell mica shoot, are we not in a position to certify this project?

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GHB)

Approved:

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

Thor H. Kiilsgaard (GHB)
Member, Geological Survey

LGHouk:gad 2/2/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.G.

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 35

RECEIVED Defense Minerals Administration

Month of Nov., Dec., Jan., 1954-5 Docket No. DMEA 3425 Contract No. Idn-E719
Operator's Name B. G. Thomas et al. Minerals Mica
Address c/o B. G. Thomas, Spruce Pine, N. C.
Contract Amount, $ Government Participation: 75 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
150' Drilling @ 10.00	1500.00		1500.00			
Bulldozing						
Crosscutting						
Drifting						
20 hr. Bulldozing @ 10.00	200.00		200.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1700.00		1700.00	1700.00		1700.00

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

Date 2-3-55 *Payee B. G. Thomas

Per B G Thomas Title Operator

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

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

(Instructions on reverse)

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

$1275.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date 2-8-55 Vou. No.
(See other side)

425.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E719 in accordance with the terms of the contract.

Signature Chauncey H. Simons Title Geologist-USGS Date Feb. 7, 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date FEB 7 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB - 9 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Nov., Dec. & Jan. 19 54 & 5 Docket No. DMEA 3425 Contract No. Idm-E719

Operator's Name B. G. Thomas et al Minerals Mica

Address c/o B. G. Thomas, Spruce Pine, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
150' Drilling: Core 10.00	Ft.	1500.00	150	1500.00	150	10.00	150	10.00
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
20hr. Bulldozing 10.00	Hr.	200.00	20	200.00	20	10.00	20	10.00
Total Distributed Costs		1700.00		1700.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		1700.00		1700.00				

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

Date 2-3-55 Operator B. G. Thomas

Per B G Thomas Title Operator

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

Remarks:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S
MONTHLY REPORT OF PROGRESS

November, December & January

1954 and 1955

DMEA-3425

Idm-E719

Work Accomplished:

We bulldozed the site November 1, 2 and 3 and did not work at the drilling until January. We drove in slate, hitting pegmatite at 8' and remaining in pegmatite until we reached 12', then hit slate again. We continued in slate to a depth of 36 feet; then hit pegmatite for about four feet. After this, we did not hit pegmatite again until we reached 62', where we were in vein about one foot, then drilled in slate all the rest of the way except for about two feet of pegmatite at 92-94 feet. We drilled to a depth of 150'.

November:

1, 2 and 3: Bulldozed a total of 20 hours.

January:

3 - Began the drilling work, driving in slate for the first few feet. Hit pegmatite at 8'.

4 - Continued to drill, hitting slate again at 12' and remaining in slate to about the 36' level.

5 - Hit pegmatite from 36' to 40', then slate again. Continued to drill in slate all the way to 92', except for about one foot of pegmatite at 62'.

6 - Pegmatite from 92 to 94.6; then slate for the entire remaining distance to a depth of 150'.

Docket Copy
Surname:
Anderson
Houk
Talbert
Selfridge
Johnson

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

600

JAN 31 1955

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
Mitchell County, North Carolina
Contract No. Ion-E719

Dear Mr. Laurence:

Reference is made to your memorandum of January 11, 1955, recommending an amendment to subject contract to provide for an additional 150-foot diamond drill hole at $10.00 per foot.

We concur in your recommendation and are transmitting herewith the original and five copies of Amendment No. 1 which have been signed by the Government. If the amendment meets with your approval present it to the Operator for approval and signature.

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

We wish to call your attention to the cost of $10.00 per foot for drilling NX holes, which we approve in this case. The Field Team does not indicate that this price was established by competitive bidding. Please be advised that this should be done for diamond drilling, and it is requested that in the future the bids for drilling be attached to the field team report.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

E. L. Newcomb (ELN)
Member, Geological Survey

Enclosures 6

WCAnderson:gad 1/26/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

January 25, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3425, Idm-E 719, George Howell Prospect #2. (mica)
Proposed Amendment.

Enclosed are four copies of the latest interim report on the subject exploration project.

Please refer to our memo of January 11 and interim report of January 10 in which it was recommended that the contract be amended to provide for an additional 150 feet of diamond drilling at $10 per foot, and possibly additional shaft footage.

We now recommend that the contract be amended to provide for an additional 144 feet of drill hole at $10 per foot to reimburse the Operator for the cost of the second hole. We also recommend that the shaft sinking provided in the contract be increased from 50 feet to 100 feet at $45 per foot.

Wm. A. Beck, Acting
EXECUTIVE OFFICER
DMEA REGION V

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

INTERIM REPORT

DMEA-3425, Idm-E 719 (mica) George Howell Pros. #2

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell Co., N. C.

Hole No. 2 which was at 64.6 feet at the time of the last interim report has been completed. The hole bottomed at 144 feet and cut the following section:

0-9 ft.	Overburden
9-24 "	Pegmatite, medium coarse-grained containing perthite, plagioclase, quartz, red garnet, and small muscovite and biotite books
24.6-44 "	Hornblende gneiss
44 - 46 "	Pegmatite, medium coarse-grained containing plagioclase, red garnet and small books of muscovite
46-64.6 "	Horndlende gneiss
64.6-67.9	Fine-grained mica gneiss
67-80.5 ft.	Pegmatite, coarse plagioclase, quartz, red garnet, and mica. All mica less than 1" in diameter. Some biotite is present between 75-80 ft.
80.5-93 ft.	Coarse Mica gneiss.
93-99 "	Mica-kyanite gneiss
99-99.8 ft.	Pegmatite
99.8-116.7	Mica-kyanite gneiss.
116.7-130.9	Pegmatite, coarse-grained plagioclase, quartz, green and ruby mica, red garnet, and pyrite. Mica books are all less than 1.5" in diameter.
130.9-131.3 ft.	Mica Gneiss
131.3-135.2 "	Pegmatite, coarse-grained plagioclase, quartz, muscovite and red garnet. Mica very abundant 131.3-132.8 ft. with one block cored normal to cleavage having 3 inch thickness. This is apparently the pegmatite being mined at the George Howell mine.
135.2-144 ft.	Mica kyanite gneiss.

The examiners believe that the section cut by Hole No. 2 shows that the pegmatite cut in Hole 1 at 93-96 feet is the George Howell pegmatite. It appears to dip 65°-70° SE and to be relatively uniform in thickness. The size, amount, and quality of mica cut between 131.3-135.2 indicates that it contains strategic mica below the point of intersection in Hole No. 1.

A shaft site has been located 40 feet northwest of the collar of the drill holes. The Operator plans to sink the shaft to 100 feet. However, as only 50 feet of shaft is provided in the contract, provisions will have to be made for the additional 50 feet. The examiners recommend that an amendment be prepared allowing the shaft to be sunk to 100 feet.

January 19, 1955 .

K. H. Teague D. H. Amos

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

Docket Copy
Surname:
Anderson
Houk

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

600

January 18, 1955

Memorandum

To: Mr. John L. Hofflund

From: Nonmetallic Minerals Division

Subject: Amendment No. 1 - Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect No. 2
Mitchell County, North Carolina
Contract No. Idm-E719

Please prepare Amendment No. 1 to the subject contract to provide for drilling an additional 150 feet of NX diamond drill hole at $10.00 per foot, or $1,500.00, pursuant to recommendation by the field team in their memorandum of January 11, 1955.

SIGNED
Walter C. Anderson
Nonmetallic Minerals Division

Attachment

WCAnderson:gad 1/18/55
Copy to: Admr. R. File
Docket
Mr. Houk

R.C.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 13 1955

January 11, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3425, Idm-E 719 (mica) George Howell Prospect No. 2
Proposed Amendment

Enclosed herewith are four copies of the latest interim report on the subject exploration project.

The field examiners, after careful study of the cores, believe that, unless pegmatite comparable to that at 93 to 96.2 feet in Hole No. 1 is cut in Hole No. 2, shaft-sinking under Stage III will not be justified. Present indications of probable discovery are not strong enough to justify the shaft-sinking, but are too good to permit termination at this stage.

There appear to be two alternatives:

(1) Termination now, without certification

(2) Amend the contract to provide an additional $1500 for Hole No. 2. It is also probable that an additional $2,250.00 for shaft -sinking under Stage III will be needed as it now appears that a 50-foot shaft would be inadequate and a 100-foot shaft may be required, if results of hole No. 2 are favorable.

It should be noted that the upper part of the pegmatite at the Geo. Howell Mine is practically barren of strategic mica. It is the examiners opinion that the pegmatite cut in Hole No. 1 corresponds to this barren pegmatite.

The examiners explained to the Operator that an Amendment, approved by and prepared in Washington, would be required before hole No. 2 can be paid for with contract funds and that, if an amendment is not approved, he will have to bear the entire expense. The Operator proceeded with the hole under these conditions, because

obviously the drilling contractor could not be expected to wait until such a decision was reached.

It is our recommendation that the contract be amended, to provide for a second 150-foot drill hole, at $10 per foot. Decision concerning additional shaft footage can be made after completion of Hole No. 2. We believe the conditions here, considered along with those at the George Howell Mine, justify the expenditure of this additional $1500.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck

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

INTERIM REPORT
On

DEPARTMENT OF ... Science Mineral ... JAN 13 19

DMEA-3425, Idm-E 719 (mica) George Howell Pros. #2.

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, N. C.

Stage II of this contract was begun on December 31, 1954. The project was inspected on January 4, 5 and 7. On January 4, D. D. Hole No. 1 was at a depth of 127 feet. The hole was bottomed at 187 feet (150 feet on contract), on January 5. The hole was on a -56° in a N. 35° W. direction. Log is as follows:

0 - 7 Ft.	Overburden
7 - 8 "	Biotite Gneiss
8-20 "	Pegmatite-medium coarse grained containing perthite, plagioclase, quartz, and small books of biotite and muscovite. Mica books all less than 1 inch in diameter.
20-26 "	Mica gneiss
26-36.8 ft.	Mixed mica and hornblende gneiss, mostly hornblende.
36.8 - 40 ft.	Pegmatite-medium coarse grained containing plagioclase, quartz, and small muscovite. Mica books less than 1" in diameter.
40-57 ft.	Hornblende gniess
57-62 "	Mica gneiss
62-63 "	Pegmatite containing small muscovite
63-66 "	Mica gneiss
66-66.3 ft.	Pegmatite
66.3-71 ft.	Mica-kyanite schist
71-71.5	Pegmatite
71.5 - 93.2 ft.	Mica-kyanite schist
93-96.2 ft.	Pegmatite medium coarse -grained containing quartz, plagioclase, red garnet and muscovite scales. It is thought that this is the pegmatite which is being mined at the George Howell Mine.
96.2-187 ft.	Mica-kyanite gneiss and schist.

The Operator drilled from 150 feet to 187 feet at his own expense.

As evidence produced from this hole is insufficient to warrant continuation with Stage III, another hole is being drilled at the same

location on a -74° angle and in the same direction as Hole No. 1. When the project was inspected January 7, Hole No. 2 was at 64.6 feet and had cut the following section:

0-9 ft.	Overburden
9-24.6 Ft.	Pemgatite-medium corase-grained containing perthite, plagioclase, quartz, red garnet, and small biotite and musovite books.
24.6-44 ft.	Hornblende gneiss
44-46 ft.	Pegmaite-medium coarse-grained containing, plagioclase, red garnet and small books of muscovite.
46-64.6 ft.	Hornblende gneiss (bottom 1/7/55)

If Hole No. 2 cuts a section similar to Hole No. 1, Hole No. 2 should intersect pegmatite at approximately 120 feet which is about 40 feet vertically below that point where pegmatite was intersected in Hole No. 1.

The collar of Holes 1 and 2 is 82.5 feet above the collar of the incline at the George Howell Mine. The pegmatite encountered in Hole 1 at 93-96.2 feet is at approximately the same level and of similar character as that exposed in the upper part of the George Howell mine. The face presently being worked at the Howell Mine is 180 feet northeast of the section being cut by Holes 1 and 2.

The field inspectors believe that Hole No. 2 is essential to the project and that the Government should contribute to its cost as a part of the project. The George Howell mine is in the top three producers that are selling mica to the Spruce Pine Depot, having sold approximately $210,000 worth of mica in the past two years ($148,000 during 1954). We feel that if the producing pegmatite can be shown to exist in the area being explored, reserves developed by the project will be noteworthy. An amendment for an additional 150-feet of drilling @ $10.00 per foot is recommended.

January 10, 1955.

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

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

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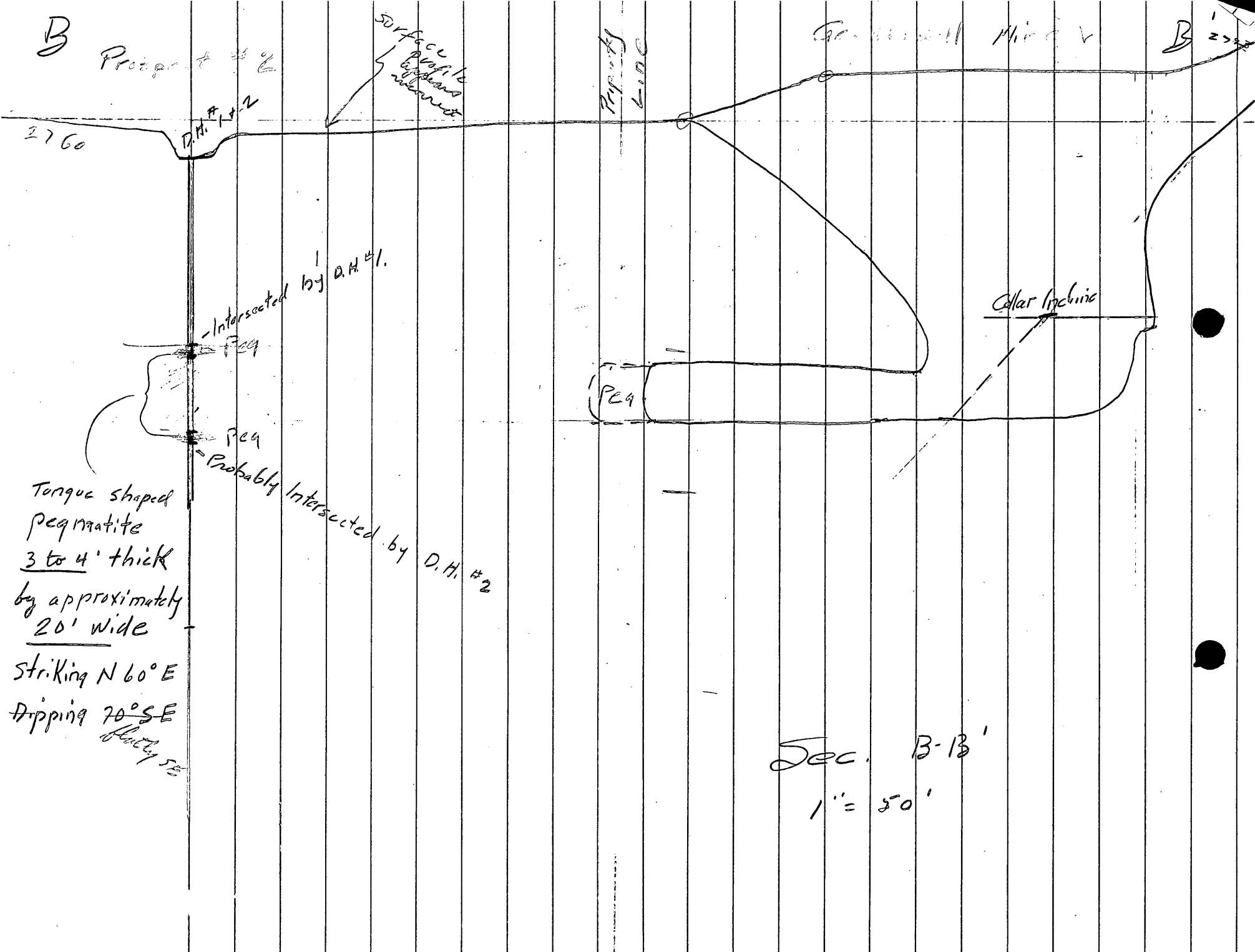
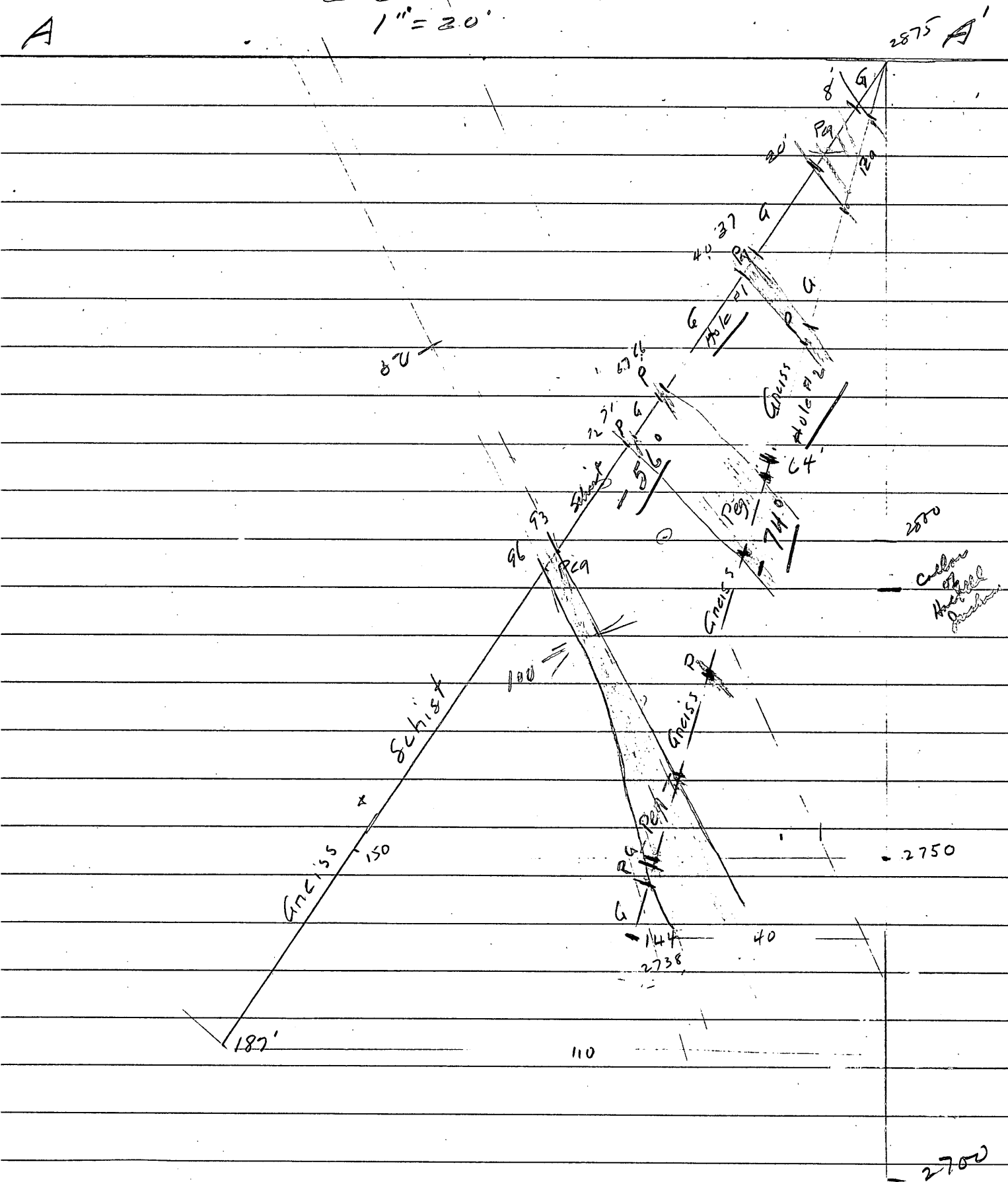

B
Prospect #2
Surface trafficbed
Property Line
Geronimo Mine
B'
2760
D.H. #1
Intersected by D.H. #1.
Peg
Peg
Probably Intersected by D.H. #2
Collar Incline
Peg
Tongue shaped pegmatite
3 to 4' thick
by approximately
20' wide
Striking N 60° E
Dipping 70° SE
flatly SE
Sec. B-B'
1" = 50'

Section A - A'
1" = 20'



DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1955

INTERIM REPORT

DMEA-3425, Idm-E 719, GEORGE HOWELL PROSPECT No.2
(mica)

Operator: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N.C.

Location: 2.2 airline miles S. 5° W. of Bakersville, Mitchell County North Carolina. It is on the southwest side of Mine Creek, about 1.2 miles S. 10° E. of Mine Creek church.

No progress has been made on this contract in the past two weeks. The Operator is in the process of contracting the drilling to a local concern and will advise the Field Team when drilling begins.

Mr. Robert A. Laurence, Executive Officer, DMEA, Region VII accompanied the Examiners on this visit to the mine and was shown work completed to date.

December 16, 1954.

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

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

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

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville

Subject: DMEA-3425, Idm-E 719 (mica) Mine Creek Mica Miners
George Howell Prospect No. 2

Enclosed is the latest interim report on the subject exploration project. Please refer also to interim reports dated November 4 and 15.

Test pitting, recommended by the Field Examiners as part of Stage III showed that the pegmatite pod pinched out at 10 feet depth. Further sinking seemed inadvisable, but the examiners have recommended a drill hole as provided under Stage II of the contract. If work on Stage II is later resumed, as a result of the drilling the test pit may be a part of the sinking authorized there; if Stage III is not approved we will then recommend an amendment authorizing the 10-foot test pit, at a cost below the unit-cost provided in Stage III and based on Operator's actual cost.

Robert A. Laurence

Robert A. Laurence

DEC 10 1954

INTERIM REPORT

DMEA-3425 Idm-E719 (mica) GEORGE HOWELL PROSPECT NO. 2

OPERATOR: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

LOCATION: 2.2 airline miles S 5° W of Bakersville, Mitchell County, N. C. It is on the southwest side of Mine Creek, about 1.2 miles S 10° E of Mine Creek Church.

Test pitting has been in progress on this contract up to the date of this visit. Most of the work has encountered lens or pods of pegmatite to the present depth of 10 feet. The examiners are of the opinion that sufficient test work by pit has been accomplished and that a diamond drill hole as outlined in Stage II of the contract is now in order. The operator is mutually agreeable with this decision and will contact the drilling contractor of his choice. The location for the hole has been spotted and will be drilled on a 60° angle. It is presumed that this will cut both exposures of pegmatite as shown in the open cut at a depth of less than 100 feet. Another visit will be made to the prospect 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

December 1, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 2 1954

INTERIM REPORT

DMEA-3425 Idm-E719 (mica) GEORGE HOWELL PROSPECT NO. 2

OPERATOR: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

LOCATION: 2.2 airline miles S 5° W of Bakersville, Mitchell County, N. C. It is on the southwest side of Mine Creek, about 1.2 miles S 10° E of Mine Creek Church.

Very little progress is reportable on this contract since the last previous visit of November 4, 1954. Sinking is underway on the pegmatite exposed by trenching and is now roughly 4 feet in depth. The pegmatite has narrowed in thickness but the composition is essentially the same with small blocks of mica observed.

The operator was advised to continue sinking until another examination can be made.

Lawrence E. Shirley

Lawrence 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1055 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

November 8, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Signed Contract - DMEA-3425, Idm-E 719, Mine Creek Mica Miners.

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

Robert A. Laurence
Robert A. Laurence

Files

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1954

INTERIM REPORT

DMEA-3425 Idm-E719 (mica) GEORGE HOWELL PROSPECT NO. 2

OPERATOR: Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, North Carolina

LOCATION: 2.2 airline miles S 5° W of Bakersville, Mitchell County, N. C. It is on the southwest side of Mine Creek, about 1.2 miles S 10° E of Mine Creek Church.

The starting date on this contract is October 27, 1954. Stage I of the contract consisted of cutting a trench by bulldozer 100' x 15' x 10' which exposed mica bearing pegmatite near its center. The body strikes about N 50° E and dips steeply southeast. Its thickness where exposed is from 2 to 3 feet, and its composition is quartz, feldspar and small muscovite mica. The examiners are of the opinion that Stage II, consisting of 150' of diamond drilling, ~~will~~ may not be warranted. The operator was advised to start sinking on the exposed pegmatite, following the inclination. If the body proves to be continuous, Stage II will not be attempted. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague, W. H. Amos

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

November 4, 1954

Docket Copy
Surname:
Houk
Talbert
Selfridge
Johnson

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

OCT 5 1954

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
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 Operators for approval and signature. Please explain to the Operators that the contract, when executed, is a firm commitment under the terms of which they are obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operators and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated September 13, 1954, and from the Bureau of Mines, dated September 16, 1954, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey (JHB)

Enclosures 10

LGHouk:gad 9/30/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk

R.C.J.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

September 28, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Mine Creek Mica Miners, Docket No. DMEA-3425 (Mica)

Attached is a contract covering the above-described project in satisfactory legal form for execution, subject to the attachment of the Owner's Consent to Lien.

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 8

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

Defense Minerals Administration
RECEIVED
SEP 17 1954

September 16, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3425 (mica)

Applicant: Mine Creek Mica Miners

Name and Location of Property: George Howell Prospect No. 2
Mitchell County, North Carolina

Date of Field Team Report: September 3, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: September 14, 1954

Field Team Recommendation:

1. Approval of a three-stage project.

Comments:

1. Proposed exploration is consistent with good engineering practices and costs are in line with other DMEA projects in that area.
2. Estimated costs for this project total $6,125.

Recommendation:

I concur with the field team's recommendation for an exploration project in the amount of $6,125, consisting of three stages at a cost of: Stage I - $200; Stage II - $1,500; and Stage III - $2,250, and the remaining $2,100 covering all stages.

Donald R. Irving

Donald R. Irving

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

IN REPLY REFER TO:

Defense Minerals Exploration Administration
RECEIVED
SEP 14 1954

September 13, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3425 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant: Mine Creek Mica Miners, Spruce Pine, North Carolina
Name of property: George Howell Prospect No. 2
Location of property: 2 miles SW of Bakersville, Mitchell Co., N. C.
Date of Field Team Report: September 3, 1954
Authorship of Field Team Report: K. H. Teague and D. H. Amos
Field Team's recommendation:
A 3-stage project should be approved.
Comments:

The proposed exploration is somewhat speculative as substantiating evidence is incomplete. However, the proximity of the No. 2 prospect to G. Howell mine indicates limited exploration is warranted. As a "staged" project, exploration work will be kept to a minimum and commensurate with results.

ACTION RECOMMENDED: I recommend the 3-stage program planned by the Field Team be approved.

E. L. Newcomb
E. L. Newcomb

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

WASHINGTON

September 3, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report on DMEA-3425, (mica)
Mine Creek Mica Miners, Spruce Pine, N. C.
George Howell Prospect # 2. Mitchell County, N. C.

Enclosed are 4 copies of the subject examination report, and six extra copies of the sketch map covering the area of proposed work.

This appears to be a good prospect for occurrence of a new pegmatite, along strike from known pegmatites in the same zone.

We recommend approval of a 3-stage contract as outlined, with the understanding that Stage II will be dropped if pegmatite is exposed in Stage I, and Stage 3 will be dropped if no pegmatite is discovered in Stages I and II. The rather high unit-cost estimate for drilling is based upon the small footage. It may be difficult to find a contractor willing to do it even for that figure, especially if there is not a minimum guaranteed footage of 150 feet.

Robert A. Laurence
Robert A. Laurence

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

Reviewed by
DMEA OPERATING COMMITTEE
9-13-54
(date)

On-site Exam. Rpt.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM REGION VII

ON

DMEA-3425, GEORGE HOWELL PROSPECT No.2 (mica)

Mitchell County, North Carolina

BY

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

September 3, 1954

Reviewed by
DMEA OPERATING COMMITTEE
9-13-54
(date)

FIELD EXAMINATION REPORT
ON
DMEA-3425, GEORGE HOWELL PROSPECT No. 2

Applicant. Mine Creek Mica Miners, c/o B. G. Thomas, Spruce Pine, N. C.

This application is based on a presumed pegmatite which does not outcrop. The location is about 200 feet along strike from a producing pegmatite. As the area under consideration is in a zone known to contain mica bearing pegmatite, exploration appears to be warranted - in stages.

The prospect was examined on August 25, 1954. Messrs. B. G. Thomas and Allen Parsley accompanied the examiners on the inspection which required two hours.

The George Howell Prospect No. 2 is 2.2 airline miles S. 5° W. of Bakersville, Mitchell County, North Carolina. It is on the southwest side of Mine Creek, about 1.2 miles S. 10° E. of Mine Creek Church. Access is possible at all times by jeep.

At the present time the applicants are operating successfully the George Howell mine. It is a good, systematic operation. They are competent to conduct the proposed project.

The applicants hold the property by lease, area of which is adequate for the proposed work.

There are no facilities on the area covered by the application. Existing workings consist of two shallow bulldozer trenches which have been cut normal to the trend of rock foliation. It appears that both of these trenches were cut too far to the northwest to expose the pegmatite, if present at the surface.

Rock exposed in both trenches is similar. It consists of thinly-foliated bands of mica-kyanite schist which contains thin stringers and pods of pegmatite parallel to the foliation. No pegmatite thicker than 6 inches is exposed. Rock foliation strikes N. 60° E., and dips 70° SE.

As previously mentioned, this application is based on the presumed extension of the George Howell pegmatite which has been a rather large producer of strategic quality mica during the past year ($60,000). The Howell pegmatite is an elongated tongue-like body that rakes at a very low angle to southwest. It has been worked along its strike southwest from the open cut for a distance of approximately 250 feet. At a point about 200 feet from the cut, the pegmatite pinched out completely over a linear distance of 39 feet, then it reoccurred resuming its normal thickness.

The tongue-like body at the Howell workings first opened is about 250 feet long, 3-7.5 feet thick, and 60 feet wide, normal to the rake. It is composed of coarse-grained microcline, plagioclase, gray quartz, muscovite, biotite, garnet, pyrrhotite, and pyrite, listed in order of abundance. Muscovite occurs distributed throughout the pegmatite. It does not occur in large sizes, but it is of excellent quality. Sales from this mine have averaged in excess of $20 per pound during the last year.

The applicants' proposal assumes that mica-bearing pegmatite occurs at the point of proposed exploration. This may be true, but there is no surface proof to indicate its presence. Numerous shallow pits and trenches which have been dug between the George Howell Mine and the Prospect No. 2 have exposed pegmatite, but no mica is present.

Distance between the open cut at the active mine and Prospect No. 2 is about 450 feet; whereas only about 200 feet separate the Prospect and the present underground heading.

The examiners believe that there is a possibility that mica bearing pegmatite does occur at Prospect No. 2; however, before shaft sinking is undertaken its presence should be definitely established. We therefore recommend the following program of exploration:

1. Extend each of the existing trenches 50 feet southeastward to check the possibility of mica-bearing pegmatite of being present at the surface.

2. If no mica-bearing pegmatite is found by (1) above, drill one 150-foot NX drill hole to check the presence of mica-bearing pegmatite at depth.

3. If results from 1 and 2 above are negative, terminate the project. If results from 1 are favorable, eliminate (2) and sink 50-foot incline on pegmatite and drive 60 feet of level. If results from (1) are unfavorable, but results from (2) are favorable, then the same amount of sinking and level work as previously mentioned should be done.

Estimated Cost:

STAGE I.

Extend two existing trenches, each 50 feet.
Bulldozer, 20 hrs. @ $10/hr. $ 200.00

STAGE II.

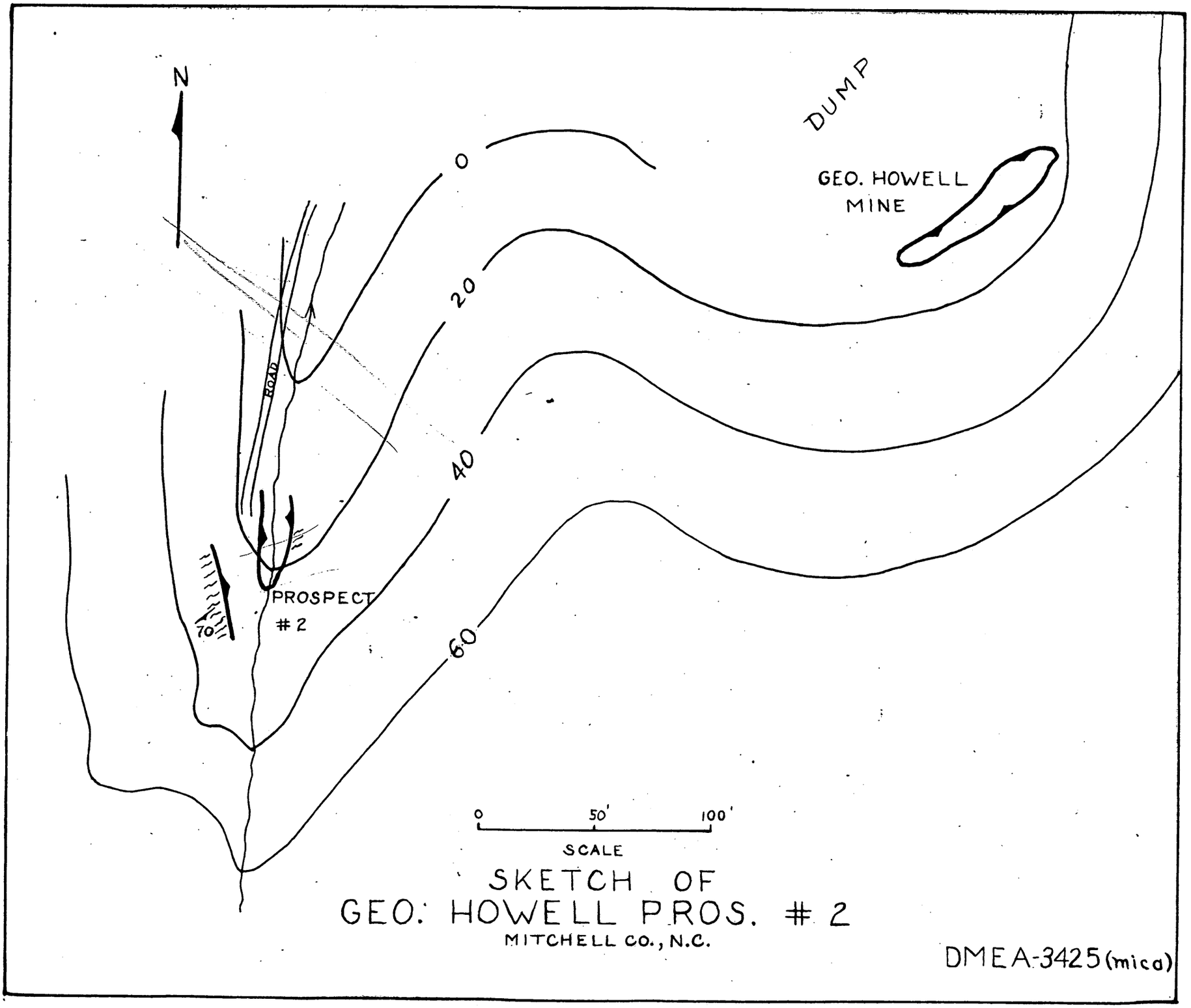
Drill 150-foot NX diamond drill hole
(Site and inclination to be selected by the Field Examiners) @ $10/ft. 1500.00

(The cost per foot estimate is based on the overall total footage).

STAGE III

Construct Tool - hoisthouse		$ 75.00
Sink 50 foot incline on pegmatite (30 shifts)		
Labor:		
1 - miners @ $1.50/hr	$360.00	
1 - hoistman @ $1.25	300.00	
1 - laborer @ $100/hr	240.00	
Equipment (rental)		
Hoist @ $50/Mo.	75.00	
Compressor, drill, pump, etc. @ $240/Mo.	360.00	
Supplies:		
Explosives	150.00	
Timber 4M @ $65/M	260.00	
Gasoline and oil	100.00	
Drill steel	75.00	
Small tools	75.00	
Air and water line	100.00	
Miscellaneous, Social Sec. etc.	155.00	$2,250.00
Drive 60 feet drift (25 shifts)		
Labor:		
1 - miner @ $1.50/hr	300.00	
1 - hoistman @ $1.25/hr.	250.00	
2 - laborers @ $1.00/hr.	400.00	
Equipment (rental)		
Compressor, drill, pump, etc. @ $240/Mo.	300.00	
Hoist @ $50/Mo.	62.50	
Supplies:		
Explosives	200.00	
Gasoline and oil	125.00	
Drill steel	100.00	
Small tools, pipe, etc.	150.00	
Miscellaneous, Soc. Sec. Ins, etc.	212.00	$2,100.00
Estimated total cost of Stages - 1-3		$ 6,125.00

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



SKETCH OF
GEO. HOWELL PROS. # 2
MITCHELL CO., N.C.

DMEA-3425 (mica)

Docket Copy
Surname:
Anderson
Houk
Hedges
Newcomb
Selfridge

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

AUG 1954

Mine Creek Mica Miners
C/o E. G. Thomas
Spruce Pine, North Carolina

Re: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
Mitchell County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 8/5/54
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.C.S.

Docket Copy
Surname:
Anderson
Houk
Selfridge

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

600

AUG 4 1954

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

Subject: Docket No. DMEA-3425 - Mica
Mine Creek Mica Miners
George Howell Prospect #2
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 July 28, 1954, and from the Bureau of Mines, dated July 30, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JB)

Approved:

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

s/ E. L. Newcomb (JB)
Member, Geological Survey

Enclosures 4
WCAnderson:gad 8/4/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.G.S.

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

2

July 30, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3425 (mica)

Applicant: B. G. Thomas, Roy Grindstaff, Allen Parsley, and R. C. Thomas (Mine Creek Mica Miners)

Name and Location of Property: George Howell Prospect #2
Mitchell County, North Carolina

Date Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: July 27, 1954

Comments:

There has been no past production from this prospect.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

July 28, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3425 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant's name and address: B. G. Thomas, Spruce Pine, N. C.
Name of property: George Howell Prospect #2
Location of property: Mitchell County, N. C.
Summary of applicant's proposal: Total estimated cost -- $8,750
25 hrs. bulldozing
100 foot shaft
100 feet--crosscutting and drifting

Sources of information on applicant's property:
We have no available information on this prospect.
There is a George Howell Mine, near Bakersville, but apparently prospect #2 is a raw prospect. The location of the G.H. prospect #2 with respect to the G.H. mine cannot be determined from our data.

Comments: Without further geological information we are unable to appraise the feasibility of the proposed work.

RECOMMENDATION: Application should be referred to the Field Team for an examination.

E. L. Newcomb

E. L. Newcomb

July 27, 1954

Mr. B. G. Thomas, et al.
Spruce Pine
North Carolina

Subject: DMEA-3425
Re: Exploration Assistance
George Howell Prospect #2

Gentlemen:

The receipt of your application dated July 21, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3425 and referred to the Non-Metallic Minerals Division.

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

Sincerely yours,

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

OFFICIAL BUSINESS

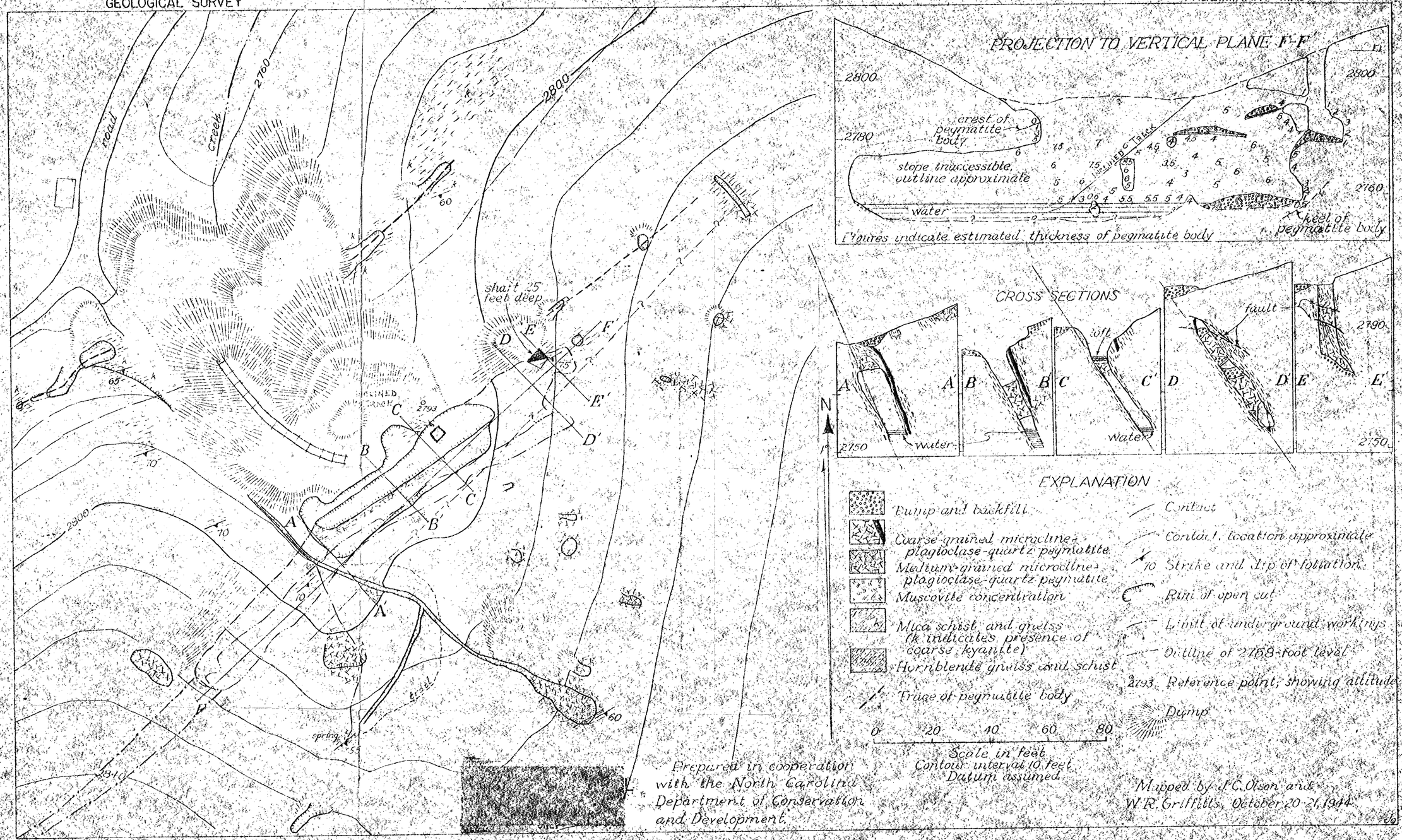
STAGE, $300

KNOXVILLE
JUL 23
4 30PM
1954
TENN

Mr. George C. Selfridge, Chairman
Operating Committee, D.M.E.A.
Dept. of the Interior
Washington 25, D.C.

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



Prepared in cooperation with the North Carolina Department of Conservation and Development.

Mapped by J.C. Olson and W.R. Griffitts, October 20-21, 1944.

GEORGE HOWELL MICA MINE, MITCHELL COUNTY, NORTH CAROLINA