DMEA 3463

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	8/26/54
2	CONTRACT	DATE	2/1/55
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	

Docket copy

Minerals Administration
RECEIVED
FEB 16 1955

MF-200A
(Revised June 1954)

Docket No. DMEA -3463

Commodity Mica

Contract No. Idm-E 741

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 1st day of February, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] James H. DeCrost, Jr., Pat Buchanan, and Henry Buchanan, partners,

whose mailing address is Route 1, Box 183
Bakersville, 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] lease, dated 8/20/54; [7] recorded in Book 15, page 229, 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: Owner's Consent to Lien

[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."

16—70618-1

(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 March 15, 1955 shall commence the work, and on or before 4 mos. from date of contract (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 $3,264.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $2,448.00: *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.

DEGROOT, BUCHANAN, AND BUCHANAN
(Operator)

Pat Buchanan (Partner)

By Henry Buchanan (Partner)

By James H. DeGroot Jr. (Partner)

THE UNITED STATES OF AMERICA

By O. O. Mittendorf
Administrator, Defense Minerals Exploration Administration

Ryan
H. Flemed
Anderson
Hoch
Vicander
Selfridge
J. Hudson

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

OFFICE OF THE DIRECTOR
Defense Materials Administration
RECEIVED
FEB 16 1955

EXPLORATION PROJECT CONTRACT
DEGROAT, BUCHANAN AND BUCHANAN
DOCKET NO. DMEA-3463

ANNEX I

The land referred to in Article 2 of the contract is known as the Azaline Mine and was leased for mining purposes by Dora Buchanan, Grover Ledford and wife, Azaline Ledford, to James H. DeGroat, Jr., Pat Buchanan, and Henry Buchanan for a period of five years, with option to renew for an additional five years, by an instrument dated August 20, 1954. It consists of a two acre tract known as the Azaline Tract which is a part of the old 50 acre P. H. Buchanan tract of land in Cane Creek Township, Mitchell County, State of North Carolina (Now the G. W. Ledford tract). The 50 acre tract is described in Deed Book #53, page 518, and the Azaline 2 acre tract in Mining Lease Contract Book #15, page 229, both in the office of the Register of Deeds for Mitchell County, North Carolina. The Azaline tract is particularly described as follows:

> Beginning at the center of the face of the bench cut on the pegmatite and running S 45° W 208 feet to the southwest corner of the tract; thence north 295 feet; thence east 295 feet; thence south 295; thence west 295 feet to the beginning southwest corner.

EXPLORATION PROJECT CONTRACT
DEGROAT, BUCHANAN AND BUCHANAN
DOCKET NO. DMEA-3463

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 Azaline Mine, Mitchell Co., N.C. DMEA-3463 (mica)," as follows:

1. Construct: 900 lineal feet of access road (approximately 750 cubic yards of earth to be moved); a toolhouse, minimum dimensions 7 feet by 10 feet by 12 feet; a powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet; and an exploder magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

   The toolhouse may be unfloored; shall be constructed of rough, unfinished lumber; shall have a protective roof covering; and shall have a lock.

   The powder and exploder magazine shall be boxed on all sides; shall be constructed of 2-inch hardwood or 3-inch softwood; and shall be well braced at the corners. The lumber shall be smooth on the inside of these boxes; no metal shall be exposed; and the lids or doors of the boxes shall be securely locked with at least one lock equivalent to a 5-tumbler jarproof lock.

All construction work is subject to the approval of the Government.

2. Drive not more than 100 feet of drifts and/or crosscuts on the pegmatite, timbered as necessary, and having a cross-sectional dimension 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

Constructing:

Access road, bulldozer 15 hours @ $10.00/hr.	$ 150.00	
Toolhouse 1/	76.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	13.00	
Driving 100 feet of drifts and/or crosscuts @ $30.00/ft.	3,000.00	
Estimated Total Cost of Project		$3,264.00
Government Participation @ 75%		$2,448.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 13 1954

MF-203
(Revised July 1, 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 xxx follows 1/ In a Mineral Lease executed by the co-owners, dated August 21st, 1954 and duly recorded in Contract Book # 15, on Page # 229, in office of the Register of Deeds for Mitchell County, North Carolina.

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/ James H. DeGreat, Jr Pat Buchanan, and Henry Buchanan, a Partnership operating under name of-- DeGreat, Buchanan & Buchanan

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 production 3/ 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 None

Dated this 31st day of August, 1954.

Dora Buchanan [Seal]

Grover Ledford [Seal] Bakersville, N. C. Route 1, Box 178

Azaline Ledford [Seal]

STATE OF NORTH CAROLINA,
MITCHELL COUNTY.

Personally appeared before me R. P. Greene, Clerk of the Superior Court of Mitchell County, North Carolina, Dora Buchanan, Grover Ledford & Azaline Ledford, who acknowledged the due execution ~~[illegible]~~ of the foregoing instrument for the purpose therein expressed.

This the 31st, day of August, 1954.

R. P. Greene
Clerk Superior Court, Mitchell Co, N. C.

DOCKET COPY
Surname:
Anderson
Houk
Talbert
Selfridge

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

600

FEB - 6 1956

Mr. Pat Buchanan
DeGroat, Buchanan and Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463-Mica
DeGrout, Buchanan and Buchanan
Azaline Mine
Mitchell County, North Carolina
Contract No. Idm-E741

Dear Mr. Buchanan:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson: ms 2/2/56
Copy to: Admr. R. File
Docket (Dora Buchanan's Copy to Field Team for forwarding)
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
Mr. Houk
Mr. Anderson
Dora Buchanan
Grover and Azaline Ledford

RCh.

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

Project Summary Report

By: Walter C. Anderson February 2, 1956

1. Docket No. DMEA-3463 - Mica
Contract No. Idm-E741
Azaline Mine
Mitchell County, North Carolina

Application: Form MF-103(April 1952) received August 26, 1954.
Work proposed - 50 feet of shaft and 50 feet of drifts
Amount requested - $4,006.70

Operators: James H. DeGrout, Jr., Pat and Henry Buchanan, Partners
Route 1, Box 183
Bakersville, North Carolina

Operators' property rights: Mining lease for 5 years on the Buchanan property, dated August 20, 1954.
Owner's Consent to Lien, dated August 31, 1954.

2. Contract: Form MF-200 A(June 1954), dated February 1, 1955.
Work authorized:

Bulldozing access road - 15 hours @ $10/hr.	$ 150.00
Toolhouse, powder and exploder magazines	114.00
100 feet of drifts and/or crosscuts @ $30/ft.	3000.00
Estimated total cost of project	$3264.00
Government participation @ 75%	$2448.00

Amendments: none

Work completed:

Bulldozed access road	$ 150.00
Constructed toolhouse, powder and exploder magazines	114.00
Drove 97.5 feet of drifts and crosscuts	2925.00
Total accepted cost	$3,189.00
Government participation	$2391.75

Work began February 21, 1955 and ended May 5, 1955
Field Team Final report received May 31, 1955
Operators' Final report received May 31, 1955
No production during project.
No equipment purchased under contract.

3. Report of Review issued May 31, 1955
   Accepted cost $3189.00
   Government participation $2391.75

4. Certification of Discovery: None issued.

5. Comments:
   How conducted: All of the work in which the Government participated was acceptable.
   Operation: Good
   Engineering: Reporting by the Operator was very good.
   Geological Premise: The premise that a mica-bearing pegmatite would continue laterally did not materialize, as only a small amount of mica was found which was too small to yield trimmed sheet mica.
   Geological Criteria upon which work was based:
   1. Zoned pegmatite 12 feet thick exposed for distance of 50 feet, crosscutting a hornblende gneiss wall rock.
   2. Mica - small but of excellent quality. Clear, ruby colored, flat, free splitting, some books up to 4 inches across.

   Criteria developed during project:
   1. Disconformable pregmatite 15 to 20 feet thick, nearly vertical. Consists of perthite, quartz, plagioclase, biotite and very little muscovite.
   2. Mica - of strategic quality but too small to yield trimmed sheet mica.

   Future possibilities: None because of sparse occurrence and small size of mica.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to issue a certification of discovery or development. The commodity members of the Bureau of Mines and Geological Survey agree.

IN REPLY REFER TO:

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

October 4, 1955

Re: DMEA 3463, Idm-E741
James H. DeGroat, et al.
Azaline Mine
Mitchell Co., N. C.
$3,264.00 - 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.

Of the total approved for this project ($3,264.00), $3,189.00 was expended on bulldozing of a road, accessories, adit and a crosscut.

The disconformable pegmatite, 15-20 feet thick explored, contained little muscovite.

The examiners conclude that further exploratory work is not warranted and the Field Team recommends that a certificate of discovery should not be issued.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

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

May 27, 1955

Memorandum

To: Operating Committee, DMEA, Washington 25, D. C.

From: Field Team, Region V

Subject: Final Reports, DMEA-3463, Idm-E741 (Mica)
James H. DeGroat, Jr., Henry and Pat Buchanan
Azaline Mine, Mitchell County, North Carolina

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

The work did not discover a commercial deposit of mica, and we aree with the examiners' recommendation that a certificate of discovery should not be issued.

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

V. J. Lynch
V. J. Lynch
Mining Engineer
U. S. Bureau of Mines

Enclosures

ENGINEERING & GEOLOGICAL REPORT

ON THE AZALINE MINE- MITCHELL COUNTY, N.C.

(MICA)

Re: DeGroat, Buchanan & Buchanan
R.R. Box 199, Rt.1.
Bakersville, North Carolina

REPORT

Upon approval of Exploration Project Contract, Form MF-200A, under date of February 1st, 1955, work was started at the Exploration Project "Azaline Mine" in accordance with engineering instructions received from the field ingineers of the Defense Minerals Exploration Administration and as outlined in engineering sketch received.

PHASE (1)--A drift, 5' X 7' was started from surface level on slope of the ridge some 45 feet below the outcrop of the vein. This drift was driven in granite with scattered pods of quartz intermingled for a distance of 50 feet where a contact was made with pegmatite body. Begining February 21st, 1955, (12) working days of 8 hours was used in driving the 50 feet. February 21st to march 12th inclusive with Saturdays & Sundays excluded. No mica or ores was recovered during this phase of operation.

PHASE (2)--Upon contact with the main Pegmatite body which showed to be 6' wide, the drift was continued thru the Pegmatite body with out noting any muscovite books of commercial size or value. The pegmatite body consisted of feldspar and a quartz core about 2 feet wide with a rich mica binder on either side of quartz core which was rich in small muscovite books too small for commercial value. Two days was used in this phase of the operation, march 13th & 14th, 1955.

PHASE (3)--Upon driving through the 6' pegmatite body the drift was continued for a distance of 33 feet straight ahead. All this dastance (33 Ft.) was drove in granite with some small pods of quartz intermingled. 14 days of 8 hours each was used in driving the 33 feet. March 15th to march 28th, 1955 with Saturdays & Sundays excluded from this period. No muscovite or other ores was noted or recovered during this phase of the operation.

PHASE (4)-- On April 6th, 1955, the feild engineers came on inspection trip and instructed us to return back to the point where the main pegmatite body was contacted. We were instructed to drive at a left angle in the pegmatite body where the slate binder was contacted after driving 4 feet. Upon futher instructions from the feild engineers, we drove at a right angle in pegmatite body for a distance of 6 feet where the other slate binder was contacted. We then was instructed to drive overhead for a distance of 3 feet and then for a distance of 4 feet down with the pitch of the pegmatite body. Only feldspar, quartz & granite was exposed in this operation. No muscovite or other ores of value was noted or recovered during this phase of the operation. 20 days of 8 hours was used in this phase of operation with some time applied to work on the air compressor. This last phase consumed all the time and money set up for the operation and we were instructed to discontinue the operation after a total of 97 1/2 feet had been driven during the entire project.

Respectfully Submitted,

DeGroat, Buchanan & Buchanan

By- James H. DeGroat Jr. (Partner)

Rt. 1. Box 199, Bakersville, N.C.

ENGINEERING & GEOLOGICAL REPORT

ON THE AZALINE MINE- MITCHELL COUNTY, N.C.

(MICA)

Re: DeGroat, Buchanan & Buchanan
R.R. Box 199, Rt.1.
Bakersville, North Carolina

REPORT

Upon approval of Exploration Project Contract, Form MF-200A, under date of February 1st, 1955, work was started at the Exploration Project "Azaline Mine" in accordance with engineering instructions received from the field ingineers of the Defense Minerals Exploration Administration and as outlined in engineering sketch received.

PHASE (1)--A drift, 5' X 7' was started from surface level on slope of the ridge some 45 feet below the outcrop of the vein. This drift was driven in granite with scattered pods of quartz intermingled for a distance of 50 feet where a contact was made with pegmatite body. Begining February 21st, 1955, (12) working days of 8 hours was used in driving the 50 feet. February 21st to march 12th inclusive with Saturdays & Sundays excluded. No Mica or ores was recovered during this phase of operation.

PHASE (2)--Upon contact with the main Pegmatite body which showed to be 6' wide, the drift was continued thru the Pegmatite body with out noting any muscovite books of commercial size or value. The pegmatite body consisted of feldspar and a quartz core about 2 feet wide with a rich mica binder on either side of quartz core which was rich in small muscovite books too small for commercial value. Two days was used in this phase of the operation, march 13th & 14th, 1955.

PHASE (3)--Upon driving through the 6' pegmatite body the drift was continued for a distance of 33 feet straight ahead. All this dastance (33 Ft.) was drove in granite with some small pods of quartz intermingled, 14 days of 8 hours each was used in driving the 33 feet. March 15th to march 28th, 1955 with Saturdays & Sundays excluded from this period. No muscovite or other ores was noted or recovered during this phase of the operation.

PHASE (4)-- On April 6th, 1955, the feild engineers came on inspection trip and instructed us to return back to the point where the main pegmatite body was contacted. We were instructed to drive at a left angle in the pegmatite body where the slate binder was contacted after driving 4 feet. Upon futher instructions from the feild engineers, we drove at a right angle in pegmatite body for a distance of 6 feet where the other slate binder was contacted. We then was instructed to drive overhead for a distance of 3 feet and then for a distance of 4 feet down with the pitch of the pegmatite body. Only feldspar, quartz & granite was exposed in this operation. No muscovite or other ores of value was noted or recovered during this phase of the operation. 20 days of 8 hours was used in this phase of operation with some time applied to work on the air compressor. This last phase consumed all the time and money set up for the operation and we were instructed to discontinue the operation after a total of 97 1/2 feet had been driven during the entire project.

Respectfully Submitted,

DeGroat, Buchanan & Buchanan

By- James H DeGroat Jr (Partner)

Rt. 1. Box 199, Bakersville, N.C.

ENGINEERING & GEOLOGICAL REPORT

ON THE AZALINE MINE- MITCHELL COUNTY, N.C.

(MICA)

Re: DeGroat, Buchanan & Buchanan
R.R. Box 199, Rt.1.
Bakersville, North Carolina

REPORT

Upon approval of Exploration Project Contract, Form MF-200A, under date of February 1st, 1955, work was started at the Exploration Project "Azaline Mine" in accordance with engineering instructions received from the field ingineers of the Defense Minerals Exploration Administration and as outlined in engineering sketch received.

PHASE (1)--A drift, 5' X 7' was started from surface level on slope of the ridge some 45 feet below the outcrop of the vein. This drift was driven in granite with scattered pods of quartz intermingled for a distance of 50 feet where a contact was made with pegmatite body. Begining February 21st, 1955, (12) working days of 8 hours was used in driving the 50 feet. February 21st to march 12th inclusive with Saturdays & Sundays excluded. No Mica or ores was recovered during this phase of operation.

PHASE (2)--Upon contact with the main Pegmatite body which showed to be 6' wide, the drift was continued thru the Pegmatite body with out noting any muscovite books of commercial size or value. The pegmatite body consisted of feldspar and a quartz core about 2 feet wide with a rich mica binder on either side of quartz core which was rich in small muscovite books too small for commercial value. Two days was used in this phase of the operation, march 13th & 14th, 1955.

PHASE (3)--Upon driving through the 6' pegmatite body the drift was continued for a distance of 33 feet straight ahead. All this dastance (33 Ft.) was drove in granite with some small pods of quartz intermingled. 14 days of 8 hours each was used in driving the 33 feet. March 15th to march 28th, 1955 with Saturdays & Sundays excluded from this period. No muscovite or other ores was noted or recovered during this phase of the operation.

PHASE (4)-- On April 6th, 1955, the feild engineers came on inspection trip and instructed us to return back to the point where the main pegmatite body was contacted. We were instructed to drive at a left angle in the pegmatite body where the slate binder was contacted after driving 4 feet. Upon futher instructions from the feild engineers, we drove at a right angle in pegmatite body for a distance of 6 feet where the other slate binder was contacted. We then was instructed to drive overhead for a distance of 3 feet and then for a distance of 4 feet down with the pitch of the pegmatite body. Only feldspar, quartz & granite was exposed in this operation. No muscovite or other ores of value was noted or recovered during this phase of the operation. 20 days of 8 hours was used in this phase of operation with some time applied to work on the air compressor. This last phase consumed all the time and money set up for the operation and we were instructed to discontinue the operation after a total of 97 1/2 feet had been driven during the entire project.

Respectfully Submitted,

DeGroat, Buchanan & Buchanan

By- James H. DeGroat Jr. (Partner)

Rt. 1. Box 199, Bakersville, N.C.

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

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

COPY

May 27, 1955

Memorandum

To: Operating Committee, DMEA, Washington 25, D. C.

From: Field Team, Region V

Subject: Final Reports, DMEA-3463, Idm-E741 (Mica)
James H. DeGroat, Jr., Henry and Pat Buchanan
Azaline Mine, Mitchell County, North Carolina

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

The work did not discover a commercial deposit of mica, and we agree with the examiners' recommendation that a certificate of discovery should not be issued.

/s/ ROBERT A. LAURENCE
Robert A. Laurence
Executive Officer
DMEA Field Team, Region V

/s/ V. J. LYNCH
V. J. Lynch
Mining Engineer
U. S. Bureau of Mines

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
6-3-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

FIELD TEAM FINAL REPORT
REGION V

D. M. E. A.

On

DMEA-3463, AZALINE MINE (mica)
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

May 27, 1955

Reviewed by
DMEA OPERATING CONTROLS
6-3-55
(date)

FINAL REPORT

DMEA-3463, Idm-E741, AZALINE MINE

Operators:
James H. Degroat, Jr., Henry & Pat Buchanan, R#1, Box 183,
Bakersville, North Carolina

Location: On the southwest slope of Ivy Knob, 3.13 airline miles N. 70° E. of Bakersville, Mitchell County, N. C.

Exploration of a thick pegmatite at this mine failed to discover any strategic mica. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

Work began under the contract February 21, 1955 and ended May 5, 1955. An access road about 1200 feet long was bulldozed to the property and a toolhouse, powder and exploder magazines were constructed. An adit was driven 84.5 feet in a N. 60° E. direction in pegmatite. At a point 58 feet from the portal of the adit a crosscut was driven 13 feet in a S. 30° E. direction.

A disconformable pegmatite 15-20 feet thick was exposed by the level work. It strikes about N. 60° E. and is essentially vertical. The body consists of medium-grained perthite, quartz, plagioclase and biotite, having a crudely gneissic structure. Large pods of structureless plagioclase, quartz, perthite and sparse muscovite occur sporadically in the pegmatite. The foliation of the country rock, hornblende gneiss, strikes about N. 20° W. and dips 60° to the northeast.

The only muscovite revealed in the laterals was at the junction of the drift and the crosscut. It is of strategic quality but all is too small in size to yield trimmed sheet mica.

No reserves of strategic mica were revealed by the work done under the contract.

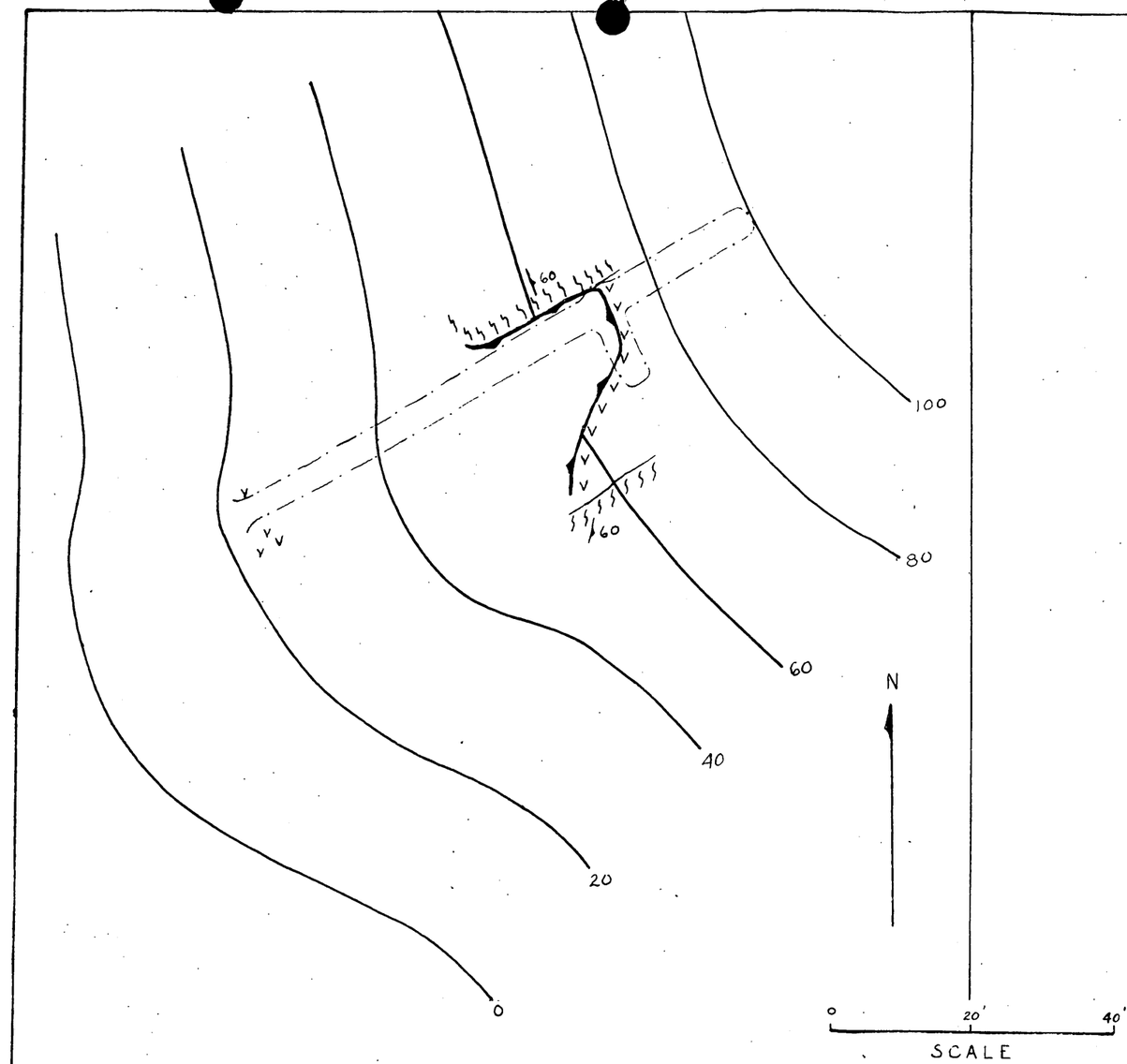
Expenditures:	(a)	Total approved	$3,264.00
	(b)	Total cost of project	3,189.00
	(c)	Government's share of cost	2,391.75
	(d)	" " unexpended	56.25
	(e)	Value of production	None

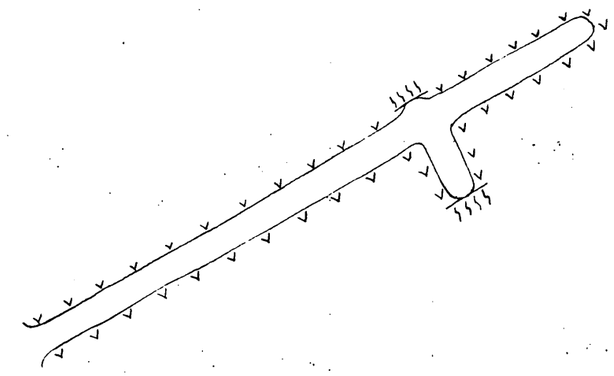
The project was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

May 27, 1955

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

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





PLAN OF ADIT

LEGEND

- vv pegmatite
- ~~ hornblende gneiss
- — contact
- cut
- strike & dip of foliation
- —·— outline of adit

SKETCH OF
AZALINE MINE
MITCHELL CO., N.C.

DMEA-3463 (mica)

May 5, 1955

INTERIM REPORT

DMEA-3463, Idm-E741 (mica) AZALINE MINE

Operator: DeGroat, Buchanan, and Buchanan, c/o James H. DeGroat, Jr.
Route # 1. Box 199, Bakersville, N. C.

Location: On the southwest slope of Ivy Knob, 3.13 airline miles N. 78° E. of Bakersville, Mitchell County, N. C.

All work authorized under contract, except 2 1/2 feet of laterals has been completed at this prospect. No discovery of strategic mica was made from exploration conducted and certification will not be recommended.

Work completed consisted of : Construction of an access road, a toolhouse, exploder and cap magazines, driving 74.5 feet of drift and 13 feet of crosscut. The direction of the entire drift was N. 60° E. Short crosscutting laterals were driven to the northwest and southeast at a point 59.5 feet from the portal; both crosscuts intersected wall rock and were driven because of increased mica content at this point. All of the work was conducted in pegmatite, virtually barren of mica, and composed principally of quartz and feldspar.

The work conducted, was done efficiently and in a safe and workmanlike manner.

Inspected: May 5, 1955.

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

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

INTERIM REPORT

DMEA-3463, Idm-E741 (mica) AZALINE MINE

Operator: DeGroat, Buchanan and Buchanan, c/o James DeGroat, Jr.
Route 1, Box 199, Bakersville, N. C.

Location: On the southwest slope of Ivy Knob, 3.13 airline miles N. 70° E. of Bakersville, Mitchell County, N. C.

Drifting continues at this mine and now totals 79 feet all of which has been driven in a N. 55° E. direction. The entire opening is in pegmatite having a crude gneissic structure. Most of the mica recovered to date is of scrap sizes. A few books of larger size mica were recovered from a point 60 feet from the portal. This is directly below the main open cut. Drill holes made from a point about 50 feet from the portal encountered the northwest contact of the body about 3-feet from the northwest wall of the adit.

Progress on the contract is satisfactory.

Date of Examination: April 20, 1955.

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

and

V. J. Lynch, Mining Engineer
U. S. Bureau of Mines

z

INTERIM REPORT

IMEA-3463, Idm-E741 (mica) AZALINE MINE

Operator: Degroat, Buchanan, and Buchanan, c/o James DeGroat, Jr.
Route No. 1, Box 199, Bakersville, N. C.

Location: On the southwest slope of Ivy Knob, 3.13 airline miles N. 78° E. of Bakersville, Mitchell County, N. C.

Drifting continues on this contract and is now at 53 feet. Material encountered has not changed appreciably from that observed in first 22 feet of work, and is pegmatite composed of feldspar, quartz and small blocks of muscovite mica. The Operator reports that more quartz and mica was encountered in drilling out the last round of holes. Directions were given for continuing the drift, altering the drift direction slightly. No timbering has been necessary, with the exception of portal work. The Operator was advised to scale the dust-covered roof of the drift thoroughly after shooting. Progress on this contract is satisfactory.

Inpsected: April 5, 1955.

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

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

z

INTERIM REPORT

DMEA-3463, Idm-E741 (mica) AZALINE MINE

Operator: Degroat, Buchanan & Buchanan, c/o J. H. DeGroat, Jr. R#1, Box 199, Bakersville, N. C.

Location: On the southwest slope of Ivy Knob, 3.13 airline miles N. 78° E of Bakersville, Mitchell County, N. C.

Drifting is underway on this contract and an advance of 22 ft. in a N. 70° E. direction has been accomplished in the past two weeks. Material encountered is primarily feldspar and scattered quartz, containing an occasional small block of muscovite mica and films of biotite mica.

Suggestions were made concerning necessary timber work and the miners were advised to wear safety hats. Progress on this contract is satisfactory.

Inspected: March 16, 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

INTERIM REPORT
ON
DMEA-3463, Idm-E741, AZALINE MINE (mica)

Operator: Degroat, Buchanan & Buchanan, c/o James H. Degroat, Route # 1, Box 199m, Bakersville, N. C.

Location: On the southwest slope of Ivy Knob, 3.13 airline miles N. 78° E. of Bakersville, Mitchell County, N. C.

The starting date on this contract is February 21, 1955. Work completed to date consists of construction of an access road to the mine, a toolhouse, powder and exploder magazines, all of which have been completed satisfactorily. The Operators stated that 16 hours of bulldozing was required for road construction.

A drift location was spotted and work will commence within the coming week. Necessary timbering at the portal and removal of large boulders over the proposed site was discussed with the Operators. Another visit will be made in the near future.

Inpsected: 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

a.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 215 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 16 1955

February 14, 1955

Memorandum

To: Operating Committee, DMEA - Washington 25, D. C.

From: Acting Executive Officer, DMEA - Region V - Knoxville

Subject: Signed Contract - Idm-E741, DMEA-3463 (mica)
James H. DeGroat, Jr., Pat Buchanan and Henry Buchanan, Ptners.
Bakersville, North Carolina

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

V. J. Lynch

V. J. Lynch, Acting
ExecutiveOfficer, DMEA
Region V.

DOCKET FILE
Surname:
Anderson
Houk
Champion
Selfridge
Robinson
Mitkendorf

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

600

FEB 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-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

On December 20, 1954, you transmitted to this office six copies of the subject contract, which were returned unsigned by the Operator. Pursuant to Operator's request in letter of January 22, 1955, a copy of which is enclosed, we are returning the original and five copies of this contract which have been signed by the Government with register number and effective date.

If the contract meets with your approval present it to the Operators for their 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.

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

Enclosures 7

WCAnderson:ad 1/28/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

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

JAN 26 1955.

Memorandum

To: Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3463, DeGroat, Buchanan, and Buchanan

At the request of Mr. Anderson, we have redrafted the first page of the subject contract changing dates for commencing and finishing the work. This was necessitated by the lapse of time since the contract was first drafted.

J. L. Hofflund
Acting Assistant Solicitor

Attachments

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

JAN 26 1955

Memorandum

To: Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3463, DeGroat, Buchanan, and Buchanan

At the request of Mr. Anderson, we have redrafted the first page of the subject contract changing dates for commencing and finishing the work. This was necessitated by the lapse of time since the contract was first drafted.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments

JLHofflund/emd

Copy to: DMEA Docket
Solicitor's Docket
L. G. Houk
J. L. Hofflund
chron.

Bakersville, N.C.
Jan. 22nd. 1955

Defense Minerals Administration
RECEIVED
JAN 24 1955

Defense Minerals Exploration Admn.
Washington 25. D.C.

DMEA-3463

Gentlemen:

In reply to your letter attached hereto, beg to advise that we will accept the unit cost of $30.00 per foot as offered for the mica exploration Project, Azaline mine, Bakersville, N.C.

If you will return the contract, we will be glad to sign same + return to your office

Respectfully,

DeGroat, Buchanan + Buchanan
By: Pat Buchanan, Super.
Rt. 1. Box 183
Bakersville, N.C.

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

JAN - 6 1955

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Reference is made to your letter of December 13, 1954, returning the unsigned exploration project contract.

A careful review of the data available to this office indicates that the unit cost of $30.00 per foot is adequate to complete the drifting from the surface. We note your objections but feel that conditions do not justify $35.00 per foot.

We regret that you are not desirous of executing the contract in its present form and unless we hear from you within 30 days we will consider the application withdrawn and the docket closed.

Sincerely yours,

C. Whitteuder Jr.

Administrator

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

December 20, 1954

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Bakersville, North Carolina

Re: DMEA-3463, Idm-E 741 (mica)
Asaline Mine, Mitchell County, N. C.

Dear Mr. Buchanan:

This will acknowledge receipt of the original and five copies of the unsigned contract on the subject docket. As we do not have the authority to change the price per foot allowed in a contract, we are returning it to Washington together with your letter.

Robert A. Laurence
Executive Officer, DMEA
Region VII

RAB/sm
cc:
Beck
Lynch
Opr. Com.-2
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1425 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 22 1954

December 20, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Unsigned Contract Copies, DMEA-3463 (mica) Azaline Mine
Mitchell County, N. C.

Enclosed herewith are all six copies of the subject contract, returned unsigned by the Operator, and the Operator's letter of explanation.

I do not know where they got the idea that we approved a $35.00 per foot cost, as the examination report estimates a cost of $30.00, and all of us here think that is an adequate estimate for the job.

Robert A. Laurence

Robert A. Laurence

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 22 1954

Bakersville, N.C.
December 13, 1954

Mr. Robert A. Laurence,
Defense Minerals Exploration Admn.
Knoxville 2, Tennessee.

re: DMEA-3463 (Mica)
AZaline Mine,
Bakersville, N.C.

Dear Sir:

This will acknowledge receipt of mine exploration contract papers fowarded by you relative to the above named project located in this county, and in which DeGroat, Buchanan & Buchanan, are the Parties of the Second Part, as Lessee's.

In looking over Exhibit "A", of the said contract it is noted that in Section # 2. under Fixed Unit Costs, the Unit cost for driving the 100 ft drift has been reduced from $ 35.00 per ft. which is $ 5.00 less per ft. than approved by the field engineers that inspected the project.

As the drift will be solid rock excavation work from the very first work on the project it is very doubtful as to whether or not the drift can be worked for the $ 30.00 per foot allocated in the contract submitted for our approval.

As we donot feel that we can carry out the project successfully on tha amount alloted per foot, ($30.00) we are returning the contract forms suggesting and recommending that the contract be ammended to allow us the $ 35.00 per foot as approved by the field Engineers on their inspection of the project.

Trusting that you will take this matter under immeadiate consideration and that you will let us have your favorable reply at an early date, we are

Respectfully yours,

DeGroat, Buchanan & Buchanan

Per: Pat Buchanan Supervisor of Project.

RECEIVED
DEC 15 1954
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Docket Copy
Surname:
Anderson
Houk
Talbot
Hedges
Kiilsgaard
Selfridge
H. Johnson

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

JAN - 6 1955

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Reference is made to your letter of December 13, 1954, returning the unsigned exploration project contract.

A careful review of the data available to this office indicates that the unit cost of $30.00 per foot is adequate to complete the drifting from the surface. We note your objections but feel that conditions do not justify $35.00 per foot.

We regret that you are not desirous of executing the contract in its present form and unless we hear from you within 30 days we will consider the application withdrawn and the docket closed.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:ad 12/31/54
Rewritten
LGHouk:gad 1/4/55

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

R.C.R.

DOCKET FILE
Surname:
Anderson
Houk
Talbutt

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

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azalina Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Reference is made to the six copies of the subject contract which you returned unsigned and your letter of explanation, dated December 13, 1954.

We note your objection to the $30.00 per foot alloted for 100 feet of drift and that you are asking $35.00 per foot. In their examination report the field team estimates a cost of $30.00 per foot. They break down the cost into the items of labor, equipment rental, supplies and all other items, which enter into the total cost. Careful review of the report indicates that the field team have taken into consideration the conditions under which this project will be conducted, as condition of rock, pumping charges and other problems and that their cost estimate is comparable to that of similar projects in your area.

We will be glad to give your proposal further consideration if you will explain how you arrive at a cost of $35.00 per foot for drifting. We would like to have your estimate broken down into all of the several items entering into the total cost. The estimate should include the number and type of labor, equipment cost, supplies, etc., also the drift advance per day and round of drilling.

In the interest of expediting further consideration of your proposal, it would be appreciated if you will provide us promptly with the requested information.

Sincerely yours,

Administrator

WCAnderson:ad 12/31/54
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

FILE COPY
Surname:

Chandler
Houk
Anderson
Selfridge
Johnson

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

DEC - 2 1954

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

Subject: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
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 their 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 October 13, 1954, and from the Bureau of Mines, dated October 15, 1954, are enclosed.

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

WCAnderson:ag 12/1/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 10

P. S. Please fill in the space provided for in the contract, the date on or before which the work shall commence.

DMEU 3463

DEPARTMENT OF THE ...
Defense Minerals Administration
RECEIVED
NOV 16 1954

Bakersville, N.C.
Nov 13, 1954

Dear Sir:

In reply to your letter concerning the papers of the legal description of land and property, and owners consent of lease. We filled out all information and sent them to the office in Washington, around the 15th of October. The papers have been either misplaced or haven't reached your office yet. If you can't locate them, please send us some more papers and we will fill them out and send them back in these mail.

Sincerely yours
Pat Buchanan
R.C. Scott, Executive
and Buchanan

Docket Copy
Surname:
Anderson
Houk

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

NOV 5 - 1954

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

On September 22, 1954, and again on October 8, 1954, we wrote you requesting an adequate legal description of the subject property. To date you have not furnished the requested description and we assume that you no longer desire to proceed with the application.

The land description given in the lease and the Owner's Consent to Lien is inadequate. It must be a legal description that gives the bearings and distances of the lines which enclose the two acres of land you propose to explore tied to an identifiable reference point.

We wish to cooperate with you in the matter of allowing ample time but if the needed information has not been received by December 10, 1954, we will then remove the application from the active file and consider the matter closed.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:gad 11/2/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.G.

IN REPLY REFER TO:

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

Defense Min... Rec'd
OCT 14 1954

October 13, 1954

Re: DMEA-3463
Azaline Mine
Mitchell Co., N. C.
$3,263 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of field examination report

The Field Team recommends DMEA assistance be granted to build a 900 foot access road and drive a 100 foot adit.

A bench-like opening on the pegmatite indicates a zoned deposit at least 12 feet thick and probably 100 feet in strike length. Present exposure has excellent quality ruby mica. If Field Team's conclusion that the mica-bearing zone thickens with depth proves correct then this deposit should contain very significant amounts of strategic mica. The proposed adit will develop about 60-80 feet of "backs" above the adit.

I concur with the Field Team and recommend a 100 foot adit be approved.

E. L. Newcomb

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

October 15, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3463 (mica)

Applicant: DeGroat, Buchanan, and Buchanan

Name and Location of Property: Azaline Mine
Mitchell County, North Carolina

Date of Field Team Report: October 1, 1954

Date Rec'd. by Ceramic and Fertilizer Mtls. Br.: October 11, 1954

Field Team Recommendation:

1. Exploration assistance.

Comments:

1. Recent prospecting has disclosed a 12-foot thick, zoned pegmatite containing mica which, though small, is of strategic quality. The prospect is new.

2. Proposed exploration is consistent with good engineering practice and unit costs are in line with other projects in the area.

3. Total estimated costs are $3,263.00.

Recommendation:

I concur in the field team's recommendation for an exploration project in the amount of $3,263.

W. F. Dietrich

W. F. Dietrich

Docket Copy
Surname:
Anderson
Houk
Mitchendorf

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

OCT 8 1954

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Reference is made to our letter dated September 22, 1954, requesting additional information on the subject property.

We are returning the six blank copies of Owner's Consent to Lien signed by the three owners. Kindly have them filled out with the location and description of the property and names of Operators. We have not yet received an adequate legal description of the property as requested. This description can be written in the space provided in the Owner's Consent to Lien forms.

Prompt attention will be given your application as soon as the above requested data are received.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 6

WCAnderson:gad 10/7/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk

R.C.

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

OCT - 4 1954

October 1, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report on DMEA-3463, Azaline Mine. DeGroat, Buchanan & Buchanan. Mitchell County, N. C.

Transmitted are four copies of the field examination report and six extra copies of the map on the subject mine.

The Field Team is in agreement with the examiners that exploratory assistance should be granted.

Wm. A. Beck, Acting
Executive Officer, DMEA
Region VII

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

Reviewed by
DMEA OPERATING COMMITTEE
10-8-54
(date)

MT 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 10/4

REFERRED TO:

1. 600
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS:

OK [illegible]

Check (X) before the items needing attention.

ROBERT E. ADAMS
Initials of sender.

GPO 16—63815-1

OCT - 4 1954

UNITED STATES - DEPT. OF INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM - REGION VII

ON

DMEA-3463, AZALINE MINE
(mica)
Mitchell County, N. C.

BY

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

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

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

September 23, 1954

Reviewed by
DMEA OPERATING COMMITTEE
10-8-54
(date)

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

12/1/54

FIELD EXAMINATION REPORT
On
DMEA-3463, AZALINE MINE (mica)

Applicants: Degroat, Buchanan & Buchanan, c/o Pat Buchanan, R# 1, Bx 183
Bakersville, North Carolina

This application is on a relatively new prospect. Recent work has exposed a 12-foot thick pegmatite which contains small, but strategic mica. The examiners believe that the deposit warrants exploration assistance, and recommend same.

The deposit was examined on September 23, 1954. Messrs. James H. DeGroat, Jr. Henry Buchanan, and G. W. Ledford accompanied the examiners on the inspection which required two hours.

The Azaline prospect is on the southwest slope of Ivy Knob, about 0.75 mile northeast of the Clarrissa Mine and 3.13 airline miles N. 78° E. of Bakersville, Mitchell County, North Carolina. Access from the Bakersville-Hawk road is via a rough, rocky road up Azaline Branch to within 900 feet of the prospect. No road extends beyond this point.

All of the applicants appear to be competent to conduct the proposed project. Area covered by the application is leased. Size of the leased area is adequate for the proposed project.

There are no surface facilities on the property. Existing openings consist of one bench cut with a 25-foot face and 25 foot bench (see attached sketch). All work is in unweathered pegmatite.

This small opening exposes a pegmatite which is about 12 feet thick, strikes N. 70° E., and dips 75° SE. It crosscuts the hornblende gneiss wall rock which trends N. 10° W. and dips 45-60° N. E. The northwest contact of the pegmatite is a pre-pegmatite fulat. Grooves along this contact plunge about 60° N. E.

The plan and section of the attached sketch show in general the zonal character of the pegmatite. Mica from each zone is similar, although the composition is different. It appears that the geissic pegmatite thins with depth, with a corresponding thickening of the mica bearing zones. A low escarpment extends northeast of the cut for an additional 50 feet suggesting that the pegmatite extends considerably beyond the present face. Below the cut, pegmatite is exposed over a similar distance.

Mica from the deposit is of excellent quality, although in small sizes. It is hard, clear, flat, free splitting, and ruby colored. Many of the books exhibit crystal outline. Books up to 4 inches in diameter were observed.

The examiners are of the opinion that this deposit warrants exploration. Wehre exposed the pegmatite is about 12 feet thick, zoned, has a strike length of probably more than 100ft., and contains considerable small excellent quality mica.

We recommend that an access road be built (900 ft), toolhouse and magazines constructed, and 100 feet of drift driven from a point below the present bench (approximate position shown on attached sketch).

Estimated Cost:

Construct 900 lineal feet of access road
(750 yds. dirt to be moved-estimated)

Bulldozer, 15 hrs. @ $10/hr.		$150.00
Toolhouse		75.00
Powder Magazine		25.00
Exploder "		13.00
Drive 100 ft. drift on pegmatite (40 shifts)		
Labor:		
1 - miners @ $1.50/hr.	$ 480.00	
2 - Laborers @ $1.00/hr.	640.00	
Equipment (rental)		
Compressor, drill and jackleg @ $240/Mo.	480.00	
Supplies:		
Explosives	350.00	
Gasoline and oil	200.00	
Drill steel	200.00	
Timber, 1000 b. f. @ $65/M.	65.00	
Small tools, pipe, etc.	150.00	
Rail	75.00	
Miscellaneous, etc.	150.00	
Social Security, Insurance, etc.	210.00	3,000.00
Estimated Total cost.....		$3,263.00

Exam. date:
September 23, 1954

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

Docket Copy
Surname:
Laurence for Dist.
Houk
Selfridge
LGHouk

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

SEP 22 1954

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

Subject: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Analine Mine
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 September 1, 1954, and from the Bureau of Mines, dated September 16, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge (by EGH)
Chairman, Operating Committee

Approved:
J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

LGHouk:gad 9/21/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

R.G.

Docket Copy
Surname:
Anderson
Houk
Hedges
Kiilsgaard
Selfridge
Johnson

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

SEP 22 1954

Mr. Pat Buchanan
DeGroat, Buchanan & Buchanan
Route 1, Box 183
Bakersville, North Carolina

Re: Docket No. DMEA-3463 - Mica
DeGroat, Buchanan & Buchanan
Azaline Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Your application for exploration assistance on 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.

To continue with the processing of your application we must have the following:

1. A better description of the property. The description given in the lease is inadequate. Kindly furnish a legal description that gives the bounding bearings and distances of the two acre plot of land which you propose to explore. A property map, if available, showing relationship of proposed exploration work to boundary lines would be helpful.

2. We do not have the Owner's Consent to Lien. We understand the Field Office has sent you the required number of forms for execution.

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

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

LGHouk:gad 9/21/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

R.C.L.

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-3463 (mica)

Applicant: DeGroat, Buchanan and Buchanan

Name and Location of Property: Azaline Mine
Mitchell County, North Carolina

Date Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: August 30, 1954

Comments:

1. No data available in this office on subject mine.
2. The field team can best evaluate the possibilities of obtaining strategic mica.

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.

Donald R Irving

Donald R. Irving

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

September 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region VII

Subject: Forms MF-203, on DMEA-3463, DeGroat, Buchanan & Buchanan (mica) Azaline Mine, Mitchell County, N. C.

Transmitted are six signed copies of form MF-203 to be attached to the application mailed your office August 24, 1954.

The applicant did not fill in the legal description of the property on these forms. and since the lease was sent along with the application to your office we are sending the forms as they were received in this office. If the description cannot be filled in there, please return them to the applicant.

Wm. A. Beck

Wm. A. Beck

IN REPLY REFER TO:

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

September 1, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3463 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant's name and address: Pat Buchanan, Route 1, Box 183, Bakersville, North Carolina
Name of property: Azaline Prospect
Location of property: G. W. Ledford tract, Cane Creek Township, Mitchell County, North Carolina
Summary of applicant's proposal:
50 feet - shaft
50 feet - drifting
Total estimated cost - $4,006.70
Sources of information on applicant's property:
We do not have any available information on this prospect. Its relation to other properties in the area cannot be determined from the present data.
Comments:
As this is a new prospect with no substantial exploration development having been completed, the Field Team's intimate knowledge of pegmatites in the area will be important in appraising the merits of the proposed work.
RECOMMENDATION: I recommend the Field Team examine the property when they are in the area.

E. L. Newcomb
E. L. Newcomb

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

August 27, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region VII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA - 3463 DeGroat, Buchanan & Buchanan

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

August 27, 1954

Subject: DMEA-3463
Re: Exploration Assistance
Azaline Mine

DeGroat, Buchanan & Buchanan
℅ Mr. Pat Buchanan
Rt. 1, Box 183
Bakersville, N. C.

Gentlemen:

The receipt of your application dated August 18, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3463 and referred to the Non-Metallic Minerals Division.

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

Sincerely yours,

August 24, 1954

Mr. Pat Buchanan
Route 1 - Box 183
Bakersville, North Carolina

Dear Mr. Buchanan:

Your application for aid in an exploration project for strategic mica at the Azaline Mine in Mitchell County, N. C., has been received, and is being forwarded to our Washington office in accordance with established procedure.

As your partnership is leasing the property on which the proposed work is to be done, it will be necessary to have the enclosed Owner's Consent to Lien forms signed by all three owners - Dora Buchanan, Grover Ledford and Azaline Ledford. Please have then sign all seven copies, and return the original and five copies to me; the seventh is to be kept by the landowners. Also, will you please indicate the mailing address of G. W. Ledford on the forms.

You will be advised by our Washington office in the near future, if a field examination is to be made.

Very truly yours,

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

RAL/sm
cc:
Beck
Washington-3
Files

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

August 24, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Application from DeGroat, Buchanan & Buchanan.
Azaline Mine, Mitchell County, North Carolina (mica)

Enclosed are 3 copies of the subject application, received in this office today. I have written to the applicant, requesting six signed copies of Owners Consent to Lien.

The fourth copy is being retained in this office.

Robert A. Laurence

Robert A. Laurence

August 24, 1954

Memorandum

To: Operating Committee, DMA - Washington

From: Executive Officer, DMA - Region VII

Subject: Application from DeGroat, Buchanan & Buchanan.
Azaline Mine, Mitchell County, North Carolina (mica)

Enclosed are 3 copies of the subject application, received in this office today. I have written to the applicant, requesting six signed copies of Owners Consent to Lien.

The fourth copy is being retained in this office.

Robert A. Laurence

RAL/am
cc:
Beck
Lynch
Files

LEGAL DESCRIPTION OF LAND COVERED BY LEASE

Located and being on the P.H. Buchanan old tract of land in Cane Creek Township, Mitchell County, State of North Carolina. (NOW THE G.W. LEDFORD TRACT)

Being the Mica Mine or Prospect discovered by Azaline Ledford in July, 1954 and the same prospect recently tested and worked by James H. DeGroat, Jr., Henry Buchanan and G.W. Ledford, the said prospect being on the West side of a Ridge about 30 feet above a branch and about 350 Yards North East of G.W. Ledfords home place on the old sled road leading from the Barn.

This Mineral Lease to cover the mining site or prospect and to enclude TWO ACRES (2) of land lying around the prospect on all sides with the prospect representing the center of the location.

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 20th day of August, 1954,

between Dora Buchanan (Widow), Grover Ledford & wife, Azaline Ledford

of Mitchell County and State of North Carolina as party of the first part, and known as lessor S, and James H. DeGroat, Jr, Pat Buchanan, and Henry Buchanan

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

WITNESSETH, That the part___ 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:

A certain mica prospect in the hollow above the barn and near the old f field road being located on the old 50 acre tract of the P.H. Buchanan tract of land (Now G.W. LEDFORD TRACT) in Cane Creek Township, Mitchell County, North Carolina more fully described by deed recorded in Deed Book # 53, Page 518 of the records in Register of Deeds Office for Mitchell County, N.C.

(See Attached Sheet S for fuller Description)

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 (1/8th) ONE EIGHTH) on all Mica mined and sold off property & $.50 cents per ton on feldspar sold

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 S 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, shall have the option to purchase the land described and set forth in this lease for a total purchase price of XXXXXXXXXXXXXXXX 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 of XXXXXXXXXXXXXXXX the party of the first part will execute a special warranty deed to the party of the second part and that at the time of the purchase price is paid in full within the next three years shall entitle the party of the second part to specific performance of this option.~~

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 S. 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: W. D. Greene, C.P.C.

Dora (her mark) Buchanan (SEAL)

Grover Ledford (Seal)

Azaline Ledford (Seal)

Henry Buchanan (Seal)

James H. DeGroat Jr. (SEAL)

Pat Buchanan (SEAL)

Filed for Registration on the_____day of_____
19____ at_____o'clock_____ M., and Registered in
the office of the Register of Deeds for Mitchell County,
N. C. this_____day of_____19_____ at
o'clock_____M., in Book_____ of Deeds on Page
_____ etc.

_____
Register of Deeds

STATE OF NORTH CAROLINA,

MITCHELL COUNTY.

Personally appeared before me this day, Dora Buchanan, Grover Ledford, Azaline Ledford, Henry Buchanan, James H. DeGroat, Jr. and Pat Buchanan, who each signed the foregoing instrument for the purpose therein expressed. Let the instrument with the certificate be registered. This the 21st. day of August, 1954.

R. P. Greene

Clerk Superior Court.

Filed for Registration on the 21 day of August 1954 at 10:30 o'clock A. M., and Registered in the office of the Register of Deeds for Mitchell County, N. C. this 23 day of Aug. 1954 at 9:00 o'clock A M., in Book 15 of Deeds, on Page 229 etc.

Mae Elizabeth Snyder

Dep. Register of Deeds

MF 103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

(Original) attach (1) copy of Mining Lease to three sheets on Bottom

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. 3463
Metal or Mineral MICA
Date Received
Estimated Cost $4,007
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: DeGroat, ~~M~~Buchanan & Buchanan (Partnership)
James H. DeGroat, Jr. Rt. 1. Box 189, Bakersville, N.C.
Pat Buchanan, SUPVR. Rt. 1. Box 183, Bakersville, N.C. Reply to
Henry Buchanan, Rt. 1. Box 178, Bakersville, 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. Partnership

(*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. See Above

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 Mine located on G.W. Ledford 47 acre tract of land in Cane Creek Township, Mitchell County, North Carolina. Full legal description given on seperate sheet attached ~~hereto~~. to LEASE

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

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

(*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. copy of lease attached herewith.

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

(*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.

(*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 Recovize 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.

(*c*) The work will start within 30 days and be completed within 10 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☒ Other Labor

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 August 20th, 1954

Robert, Buchanan & Buchanan
(Applicant)

By Pat Buchanan
Project Supervisor
Rt. 1, Box 193
Hancorville, Ala.

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

APPLICATION FOR D.M.E.A. LOAN

Re: DeGroat, Buchanan & Buchanan,
Rt. 1. Box 183
Bakersville, N.C.

Supplement to Application

4. Physical Description. (a) The Prospect was recently discovered by the wife of the owner of the land. About a weeks work was done at prospect during latter part of July in which the overhead capping consisting of mainly feldspar (soda) and quartz was shot away by hand drilling and blasting down to the main body (vein). During this short operation, about 500 to 700 lbs of crude muscovite mica was recovered. 3 shallow holes was drilled and shot in the main vein which exposed a rich mica streak which lys on both sides of a quartz core averageing 1 1/2 ft in width. I am interested in operation as one of 3 lessee's of the property. The mine is readily acessible for inspection being only about 350 yards off a gravel road that is regularly used by cars and trucks

4.(b) Prospect is less than a month old. No old mine or workings nearer than 1/4 mile, the nearest being the old Clarrissa Mine. About 500 to 700 lbs of crude mica (ruby type) was recovered out of capping and three shallow holes blasted in main vein. The mica in capping proved to be of little comercial value but mica recovered from main vein was of good grade with a few cracks as the main defects. No warpped or reeved mica was noted. Mica almost clear of any stain and hard.

4.(c) The main body of the project was discovered on the west side of a ridge about 30 feet above a branch and old sled road and about 350 yards northeast of the head of a very good gravel road that terminates at the home of G.W. & Azaline Ledford, the co-owners of the property. The main body (vein) runs a North-east South-west course and appears to be about 6 to 7 feet wide between the slate binders. It is composed of granite, feldspar (soda) and a quartz core about 1 1/2 ft in average width. A rich mica streak about 8 to 12 inches wide lys to either side of the quartz core intermingled ~~xxxxxxx~~ amongst balls of feldspar some as large as 12 inches in diamiter. The dip of the vein pitches to the South about 10 degrees east on a slope angle of approximately 40 degrees. As the grade of the recovered mica appears to be good and the quanity in sight above the average for a prospect with a very little work done there is good reason to beleive that a deeper penetration into the vein would produce sufficient mica of both quanity & quality to justify the exploration requested.

4.(d) The prospect is readily acessible being only 350 yards off the main gravel road that is daily used by cars and trucks. There is also a new graded road running along the top of the ridge above the project that could be intersected with the prospect by bulldozing a road along the side of the ridge from the new road to the prospect. This proposed road would be about 200 feet from new road at top of ridge to prospect site. A paved road intersects with the gravel road about 3/4 mile below the prospect and it is 17 miles over this paved road to the Government Mica Buying Depot at Spruce Pine, N.C. or 7 miles over same road to nearest railroad station. The nearest resident is some 350 yards from the prospect.

4.(e) Sufficient manpower, materials, supplies, equipment, water and power are available. Power line is within 350 yards of prospect. Water from mountain stream 30 feet below prospect. Labor abundant in local community. Supplies & equipment available at Spruce Pine, N.C. 17 miles distance.

LEGAL DESCRIPTION OF LAND COVERED BY LEASE

Located and being on the P.H. Buchanan old tract of land in Cane Creek Township, Mitchell County, State of North Carolina. (NOW THE G.W. LEDFORD TRACT)

Being the Mica Mine or Prospect discovered by Azaline Ledford in July, 1954 and the same prospect recently tested and worked by James H. DeGroat, Jr., Henry Buchanan and G.W. Ledford, the said prospect being on the West Side of a Ridge about 30 feet above a branch and about 350 yards Northeast of G.W. Ledfords home place on the old sled road leading from the barn.

This Mineral Lease to cover the mining site or prospect and to include TWO (2) ACRES of land lying around the prospect on all sides with the prospect representing the center of the location.

APPLICATION FOR D.M.E.A. LOAN

Re: DeGroat, Buchanan & Buchanan
Rt. 1. Box 183
Bakersville, N.C.

Supplement To Application, Page # 2.

5. The Exploration Project. (a) Wish to explore for muscovite mica to be processed and sold to U.S. Mica Buying Depot at Spruce Pine, N.C.

5. (b) The proposed exploration would be as follows: (1) To drive a shaft size 5' X 7' down and with the dip of the main body of the mica bearing vein to a point about 50 feet deep. (2) Run a heading off bottom of the 50 ft shaft North east for 25 feet and South west for 25 feet. There is no other workings in the near vicinity of the prospect thus no contact would be attempted.

5 (c) The proposed exploration would start within 30 days from date of the contract and would be completed within 10 weeks from date of the exploration project contract. A week to be computed as 40 hours per man.

5 (d) All applicants interested in this loan and contract have a background of actual mining experience from 3 to 20 years actually engaged in the mining of mica or feldspar. None have had less than 3 years experience. One having 5 years experience and the Supervisor, Mr. Pat Buchanan having had 20 years actual mining experience in mica & feldspar mining.

APPLICATION FOR D.M.E.A. LOAN

Re: DeGroat, Buchanan & Buchanan
Rt. 1. Box 183
Bakersville, N.C.

Supplement To Application- Page 3.

6. Estimate of Costs. (a) Independent Contracts---NONE.

6 (b) Labor, Supervision & Consultants.

	Positions	Hourly Rate	8 Hr Day	40 Hr Week	160 Hr Month	10 week Period	Period Man Hrs.	
1	Supervisor	$ 1.50	12.00	60.00	240.00	600.00	400	
1	Drill Runner	1.35	10.80	54.00	216.00	540.00	400	
1	Hoist Runner	1.25	10.00	50.00	200.00	500.00	400	
1	Dump Man	1.00	8.00	40.00	160.00	400.00	400	
2	Muckers @ 1.00	2.00	16.00	80.00	320.00	800.00	800	
	TOTALS----	$ 7.15	56.80	284.00	1136.00	2840.00	2400 Hrs	

6 (c) Operating Materials & Supplies

(2) 55 gal. Drums Gasoline, @ $ 15.00	$ 30.00
(1) Case (24 qts) Motor Oil, @ $ 6.00	6.00
(8) Cases, (400 lbs) 40% Dynamite, @ $ 12.00	96.00
(4) Boxes, 6 ft. electric blasting caps, @ $ 6.80	27.20
(5) Tungsten Drill Bits, @ $ 14.00	70.00
TOTALS--$	229.00

6 (d) Operating Equipment (Monthly) (Rental).

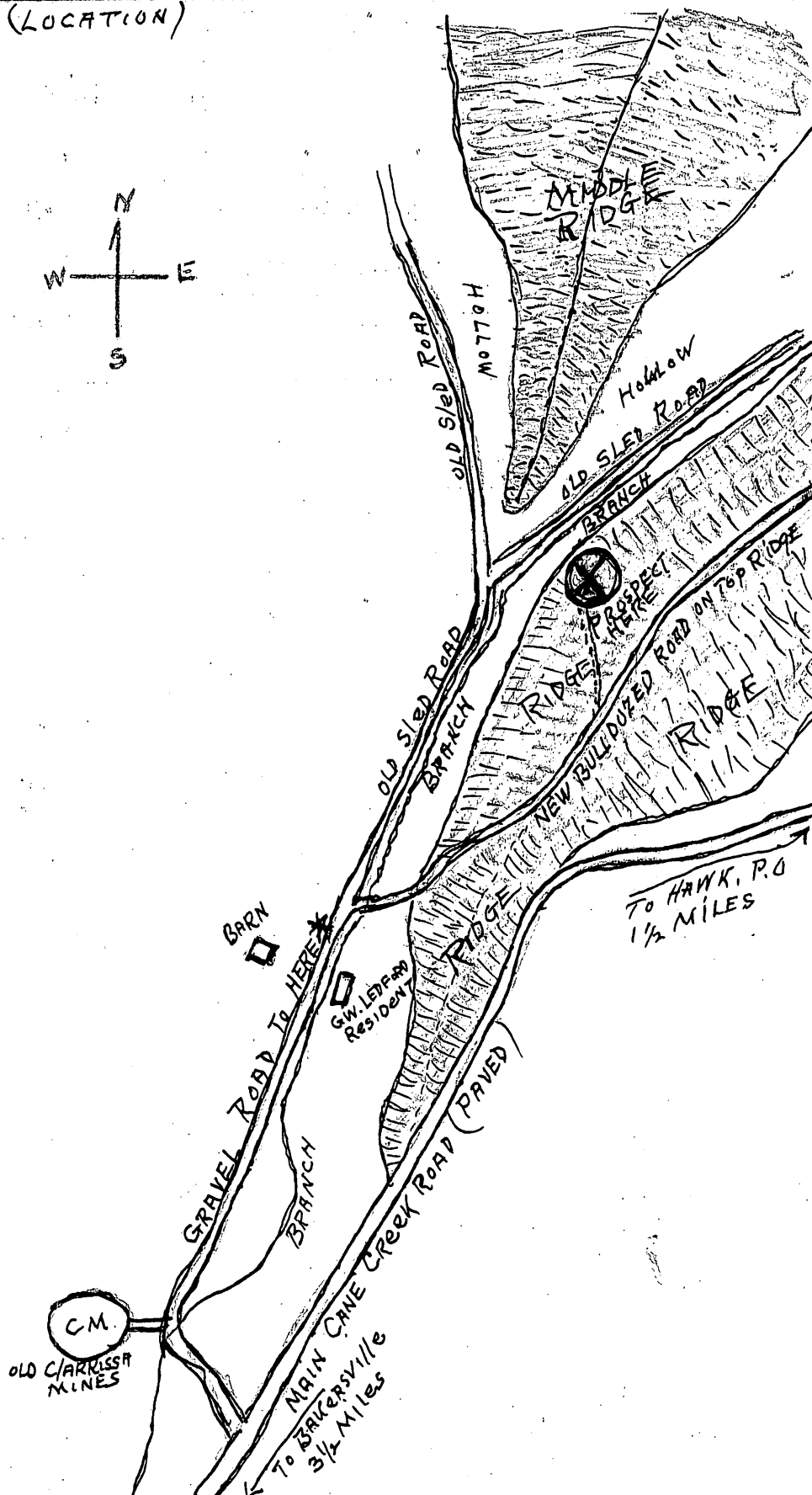
	Monthly	10 Week Period
(1) # 85 or 105 Air Compressor.	$ 125.00	$ 312.50
(1) Jackhammer Drill, Hose, accessories	$ 35.00	$ 87.50
(1) Single Drum Gas Hoist.	$ 25.00	$ 62.50
(8) Joints, 1" Air pipeing, Connections	$ 10.00	$ 25.00
TOTALS------	$ 195.00	$ 487.50

Pat Buchanan,
Project Supervisor

APPLICATION FOR D.M.E.A. LOAN

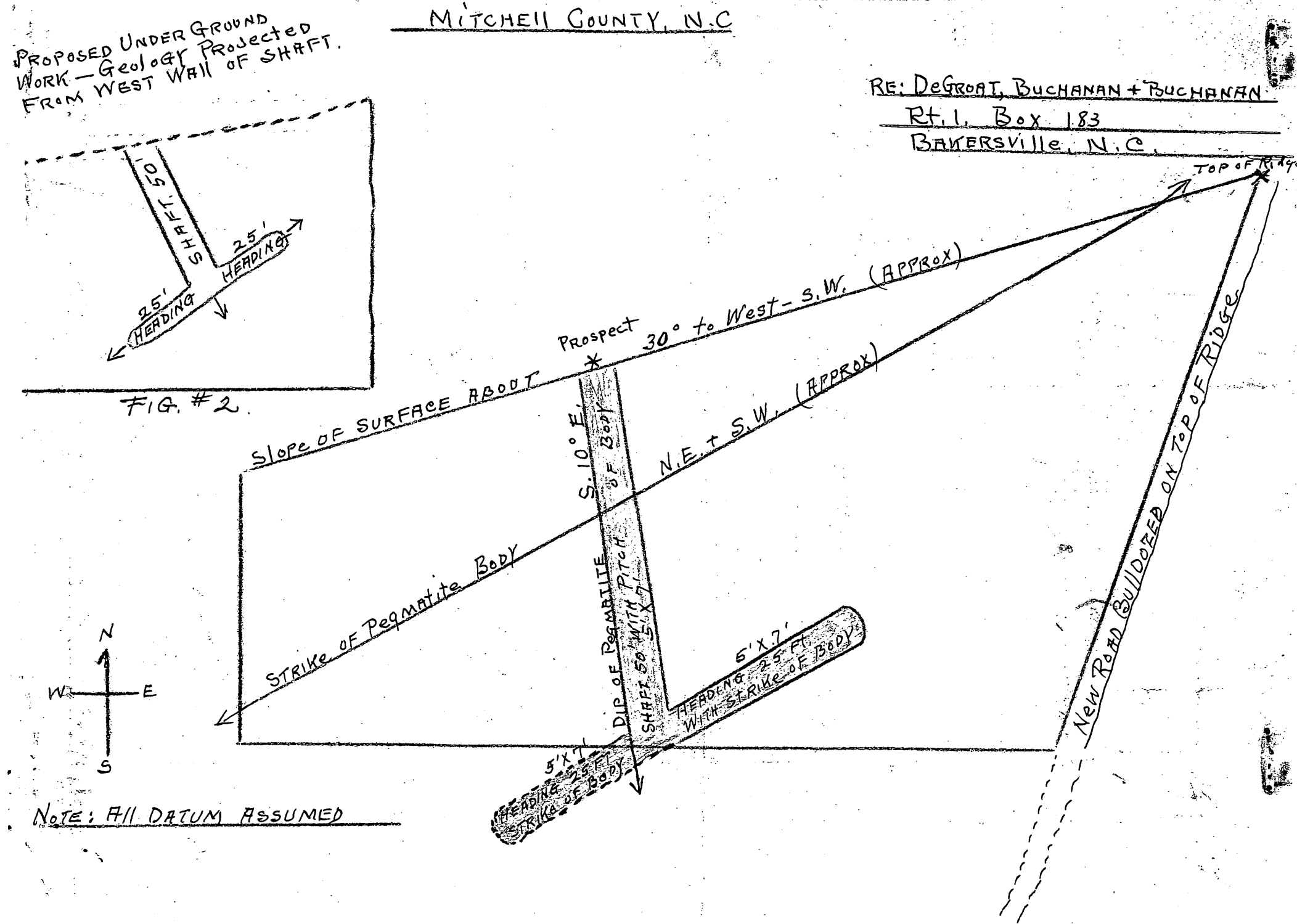
Re: DeGroat, Buchanan & Buchanan
Rt. 1. Box 183
Bakersville, N.C.

Supplement To Application
Sketch of Project
(LOCATION)



Geologic Map + Plan of Proposed Operation
Azaline Mica Prospect
Mitchell County, N.C

Re: DeGroat, Buchanan + Buchanan
Rt. 1, Box 183
Bakersville, N.C.



Note: All Datum Assumed

APPLICATION FOR D.M.E.A. LOAN

Re: DeGroat, Buchanan & Buchanan
Rt. 1. Box 183
Bakersville, N.C.

Supplement To Application--Page 4.

6. (e) Rehabilitation & Repairs. NONE.

6.(f) New Bldgs. Improvments, Installations. NONE.

6. (g) Micellaneous Expenses. Accounting & Insurance $ 250.00

6. (h) Contingencies. Estimated cost of bulldozing new road to prospect from road on top of ridge an estimated distance of 200 ft.---------- $ 200.00

FINANCIAL STATUS OF PROJECT.

(1)	TOTAL ESTIMATED COST OF PROJECT	$ 4,006.70
(2)	TOTAL AMOUNT OF D.M.E.A. LOAN SOLICITED	$ 3,005.33
(3)	TOTAL AMOUNT TO BE CONTRIBUTED BY APPLICANTS (Labor)	$ 1,001.37
	ESTIMATED TOTAL EXPENDITURES	$ 4,006.70

RECAPULATION OF EXPENDITURES. (10 Week Period)

(1)	LABOR, (1) SUPERVISOR, (5) WORKMEN	$ 2,840.00
(2)	MACHINERY & EQUIPMENT RENTAL***	$$ 487.70
(3)	OPERATING MATERIALS & SUPPLIES.	$ 229.00
(4)	MISCELLANEOUS EXPENSES. (Acct'g & Ins.)	$ 250.00
(5)	CONTINGENCIES. (Bulldozing Road)	$ 200.00
	TOTAL OF ESTIMATED EXPENDITURES	$ 4,006.70

PROPOSED SCHEDULE OF EXPLORATION PROJECT.

(1) CAN BE STARTED WITHIN 30 DAYS AFTER APPROVAL OF LOAN.

(2) ESTIMATED PERIOD REQUIRED FOR TEST: 10 WEEKS OF 40 HOURS PER WEEK OR 400 WORKING HOURS PER MAN FOR 6 MEN OR 2400 WORKING HOURS.

Respectfully Submitted,

Pat Buchanan

Pat Buchanan,
Project Supervisor

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
[illegible] NORTH DIVISION STREET
SPOKANE 2, WASHINGTON

OFFICIAL BUSINESS

SPOKANE, WASH.
AG 24 7 PM
1954

AG 24 7PM
1954

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