DMEA 3476

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	9-7-54
2	CONTRACT	DATE	11-26-54
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS 1	DATE	5-18-1955

Docket Copy

EXPLORATION PROJECT CONTRACT

RECEIVED
JUN 10 1955

Rubri
6/15/5
"Appd. Sol. Off."

DMEA-3476, Idm-E740 (mica)
Roy H. Fouts

AMENDMENT No. 1

Contract Idm-E740, DMEA-3476, dated 26th November 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Roy H. Fouts, of Franklin, North Carolina, hereinafter called the "Operator," is amended as follows:

Article 3 is amended to provide that the Operator is to complete the subject contract within a period of nine (9) months from the date of the contract, instead of six (6) months as first written in original contract.

May 18, 1955

This amendment is necessary because of bad weather, and unavoidable delays in obtaining electric power line to mine.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 7 of the contract form.

Roy H. Fouts
ROY H. FOUTS, Operator

THE UNITED STATES OF AMERICA

By: N. J. Lynch

Acting Executive Officer, DMEA
Field Team, Region V

Docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3476

Commodity Mica

Contract No. Idm-E - 740

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

It is agreed this 26th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Roy Herbert Fouts,

whose mailing address is P. O. Box 314
Franklin, 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 Macon, 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, [7] recorded in Book E-6, page 365, 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—70619-1

(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 FEB 1 - 1955 shall commence the work, and on or before May 20, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,348.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $4,011.00: *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.

THE UNITED STATES OF AMERICA

Roy Herbert Fouts
(Operator)

By O. Meredith

Administrator, Defense Minerals Exploration Administration

By Roy Herbert Fouts

Fritz
Hoffman
Anderson
Hoch
Talbot
Jeffrey
Wilmoth

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

EXPLORATION PROJECT CONTRACT
ROY HERBERT FOUTS
DOCKET NO. DMEA-3476

ANNEX I

The land referred to in Article 2 of the contract form is known as the Sol Jacobs (Winecoff) Mine and was leased for mining purposes to Roy H. Fouts for a period of three years with option to renew for an additional one year by Eliza Cobb Grist and husband, Paul L. Grist, in an instrument dated July 10, 1954. It is located on the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina, and is described in Book SS of Deeds, page 243, in office of Register of Deeds of said County, as follows:

> Beginning on the east with the line of Clarinda Washburn and run with her line to James Cansler line; then with James Canslers line to Dass Jacobs line on the south; thence with Jacobs line to the H. H. Raby's line; thence to Matt Rays line and from Rays to the old B. F. Jacobs line; thence east with said line to the beginning. Containing 138 acres,more or less.

EXPLORATION PROJECT CONTRACT
NOT EXEMPT FOUR
DOCKET NO. DMEA-3476

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 Sol Jacobs (Winecoff) Mine, Macon Co., N. C. DMEA-3476 (mica)," as follows:

1. Construct:

   (a) A toolhouse, minimum dimensions 7 feet by 10 feet by 12 feet.

   (b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

   (c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

   The toolhouse may be unfloored; shall be made from rough, unfinished lumber with protective roof covering; and shall be equipped with lock and key.

   The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be well braced at the corners. Lumber for these two buildings shall be smooth on the inside of buildings. No metal shall be exposed; and the lids or doors shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Enlarge and trim existing 24-feet shaft, and sink an additional 36 feet on the pegmatite to a total depth of not more than 60 feet. The entire length of the shaft shall be two-compartment and timbered as necessary, shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber, and shall be equipped with staggered ladders.

3. From the bottom of the shaft, drive on the pegmatite not to exceed an aggregate of 100 feet of drifts and/or crosscuts, timbered as necessary, and having cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Constructing - Toolhouse 1/	$ 78.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	13.00	
Enlarging and trimming 24 feet of shaft @ $18.00/ft.	432.00	
Sinking 36 feet of two-compartment shaft @ $50.00/ft.	1,800.00	
Driving 100 feet of drifts and/or crosscuts @ $30.00/ft.	3,000.00	
Estimated Total Cost of Project		$5,348.00
Government participation @ 75%		$4,011.00

1/The completed work constitutes the unit.

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

SEP-7 1954

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

The Sol Jacobs mine on the waters of Rocky Branch, and being more fully described in a deed from Sol Jacobs to M. D. Billings, said deed bearing date of 10 October, 1904, and registered in the office of the Register of Deeds for Macon County, North Carolina, in Book SS of Deeds, page 243.

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/ ROY HERBERT FOUTS

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

4. Changes and added provisions_____

Dated this _____ day of _____, 195___.

Eliza Cooke Grist [Seal]

Paul L. Grist [Seal]

_____ [Seal]

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Selfridge

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

MAY 2 1956

Mr. Ray Herbert Fowler
P. O. Box 314
Franklin, North Carolina

Re: Docket No. DMEA-3476-mica
Ray Herbert Fowler
Sol Jacobs(Winnemff) Mine
Macon County, North Carolina
Contract No. 14n-2740

Dear Mr. Fowler:

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 4/27/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File
Eliza Cobb Grist)
Paul L. Grist) To Field for forwarding

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

Project Summary Report - April 27, 1956

By: Walter C. Anderson

1. Docket No. DMEA-3476-mica
Contract No. Idm-E740
Sol Jacobs(Winecoff) Mine
Macon County, North Carolina

Application: Form MF-103(April 1952) received September 7, 1954
Work proposed:

100 feet of shaft @ $50.00/ft.	$5,000.00
100 feet of drifts @ $35.00/ft.	$3,500.00
Total amount requested	$8,500.00

Operator: Roy Herbert Fouts
P. O. Box 314
Franklin, North Carolina
Operator's property rights:
Three year mining lease on the Eliza and Paul Grist property covering 138 acres, dated July 10, 1954
Owner's Consent to Lien -

2. Contract: Form MF-200A(June 1954) dated November 26, 1954
Work authorized:

Construction - toolhouse, powder and exploder magazines	$ 116.00
Rehabilitation - 24 feet of shaft @ $18.00/ft.	432.00
36 feet of shaft @ $50.00/ft.	1,800.00
100 feet of drifts and/or crosscuts @ $30.00/ft.	3,000.00
Estimated total cost of project	$5,348.00
Government participation @ 75%	$4,011.00

Amendments: No. 1, 5/18/55, extends completion date from 6 months to 9 months.
Work completed:
Same as authorized

Project started on January 3, 1955 and completed June 27, 1955
Field Team Final report received July 22, 1955
Operator's Final report received July 22, 1955

Production and sales of mica during project:

200 pounds of scrap mica @ $0.08/lb.	$16.00
5.24 pounds of sheet mica	64.08
Total	$80.08

Royalty payment of $4.00 received

No equipment purchased under contract

3. Audit: Report of Review issued July 19, 1955

Accepted Cost	$5,348.00
Government participation	$4,011.00

4. Certification of Discovery or Development - none issued

5. Comments:

How conducted: All of the work in which the Government participated was well done under difficult conditions of heavy ground and considerable water.

Operation: good

Engineering: reporting by Operator was acceptable

Geological premise:

That the pegmatite would contain minable concentrations of mica below the old workings did not materialize, as only 200 pounds of scrap mica was found. + 5.24 # Sheet mica

Geological Criteria upon which work was based:

1. Pegmatite - 800 feet long, 5 to 8 feet thick at the northwest end and and 25 feet thick at the Southeast end, the locale of the project. Here the pegmatite is weathered and contains streaks of "burr-rock" and inclusions of mica gneiss wall rock.
2. Mica - excellent quality, hard, clear, free-splitting, flat and ruby colored. Some is ruled. Books up to 6 inches across occur.
3. Past production

Criteria developed during project:

1. Pegmatite - unzoned, generally conformable to enclosing mica schist, 6 feet thick and exposed for 65 feet along strike.
2. Mica - 200 pounds of "mine-run" produced during project and sold as scrap. Ruby, small in size flat, badly cracked and relatively clear.

Future possibilities:

None for profitable mining.

Recommendation:

The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey agree with the Field Team that no certification of discovery be issued.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Hefferman

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

APR 2 1956

Mr. Roy Herbert Fonts
P. O. Box 314
Franklin, North Carolina

Re: Docket No. DMEA-3476-Mica
Roy Herbert Fonts
Sol Jacobs(Minecoff) Mine
Macon County, North Carolina
Contract No. Idm-E740

Dear Mr. Fonts:

Reference is made to the subject exploration contract which has been completed.

Our reports indicate that a total of about 200 pounds of "mine-run" mica was recovered during the operation. Under Article 7(b) of the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "----regardless of any certification of discovery or development, from the date of the contract until the lapse of time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first".

If you have made any sales of mica or other minerals produced during the project or during the six-month period after July 26, 1955, please forward a royalty check in the amount of 5% of sales receipts to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville, 2, Tennessee. The check should be made payable to the Defense Minerals Exploration Administration and should be accompanied by certified copies of sales slips. Otherwise please report to this office whether the mica is salable or has value. Regardless of whether the mica was of strategic, scrap, or any other grade, an accounting must be made to the Government.

Upon your compliance with the foregoing request, we will write you a closing letter, which will remove the Government's lien on any future production.

Sincerely yours,

Administrator

WCAnderson:ms 4/2/56
Copy to: Docket
Operating Committee
Mr. Chambers
Field Team, Region V
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

R.G.A.

IN REPLY REFER TO:

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

RECEIVED
AUG 30 1955

August 30, 1955

Re: DMEA 3476
Roy H. Fouts
Winecoff Mine
Macon Co., N. C.
$5,348.00 - Mica

Memorandum

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

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

Subject: Review of Final Field Team report.

More of the nature of this irregular pegmatite might have been revealed by further stripping prior to shaft sinking and drifting.

Since no strategic mica was found the recommendation that no Discovery be certified is apt. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED

August 2, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3476 (mica)

Applicant: R. H. Fouts

Name and Location of Property: Sol Jacobs (Winecoff) Mine
Macon County, North Carolina

Contract Number: Idm-E 740

Date of Field Team Report: July 15, 1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: July 26, 1955

Field Team Recommendation: Recommend no certification of discovery

Comments:

1. Sufficient work has been done to indicate the pegmatite is not suitable for producing large quantities of strategic mica.

Recommendation:

I concur with the field team's recommendation of no certification of discovery.

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

C O P Y

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

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports. DMEA-3477, Idm-E742 (mica) E. K. Sparks
DMEA-3476, Idm-E740, (mica) Roy H. Fouts

Enclosed herewith are four copies of the Operator's and Field Team final reports on these two completed exploration contracts.

Although both projects were conducted competently, they failed to discover significant deposits of mica. We agree with the Examiners' recommendation that they should not be certified.

/s/ ROBERT A. LAURENCE
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

/s/ V. J. LYNCH
V. J. Lynch, Member
Bureau of Mines

Approved by
DMEA OPERATING COMMITTEE
7-27-55

RECEIVED
JUL 22 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

by

Field Team, Region V on

DMEA-3476, SOL JACOBS (Winecoff) MINE (mica)
Macon County, North Carolina

By

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

and

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

July 15, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-27-55

RECEIVED
JUL 22 1956

FINAL REPORT
On

DMEA-3476, SOL JACOBS (Winecoff) MINE
Idm-E740 (mica)

Operator: Roy Herbert Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 airline miles northwest of Franklin, Macon County, N. C.

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

A toolhouse, powder and exploder magazines were constructed. An existing 24-foot vertical shaft was trimmed to a cross-section dimension of 5' x 7'; then deepened vertically an additional 36 feet. The completed shaft was timbered throughout and has a partitioned manway. From the 55-foot level of this shaft a total of 100 feet of laterals were driven; 26.5 feet to the northwest and the remainder to the northeast (see attached sketch map). Heavy ground and considerable water necessitated timbering of the laterals.

A pegmatite which has an average thickness of 6 feet was explored along its strike for about 65 feet on the 55-foot level. Its attitude is irregular, striking N. 10°-50° E. and dipping 60°-80° to the northwest. The body is in general conformable to the enclosing mica schist but locally contacts are crosscutting. Numerous post-pegmatite faults of diverse attitude and small displacement are present. No zoning is exhibited except for scattered small pods of massive quartz. The pegmatite consists of semi-weathered feldspar, quartz, muscovite, and biotite, in order of abundance.

About 200 pounds of "mine-run" mica were recovered from the shaft and the laterals. It is ruby-colored, small in size, flat, badly cracked and relatively clear. Some is ruled and is intergrown with biotite.

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

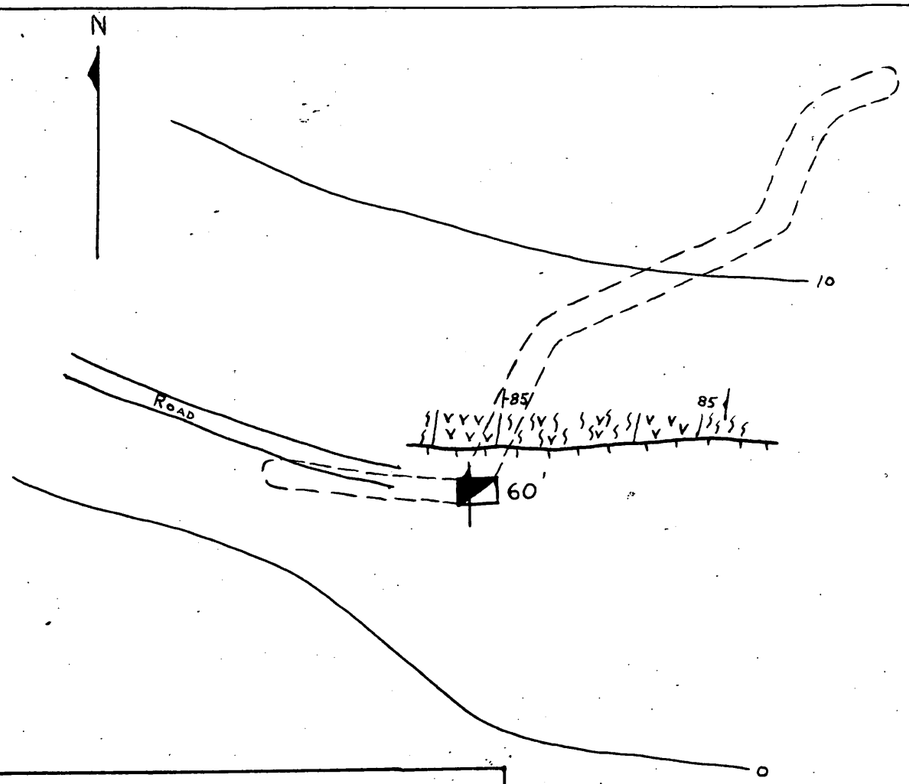
Expenditures:

(a)	Total approved	$5,348.00
(b)	" Cost of project	5,348.00
(c)	Government's share of cost	4,011.00
(d)	" " unexpended	none
(e)	Value of production during opr.	?

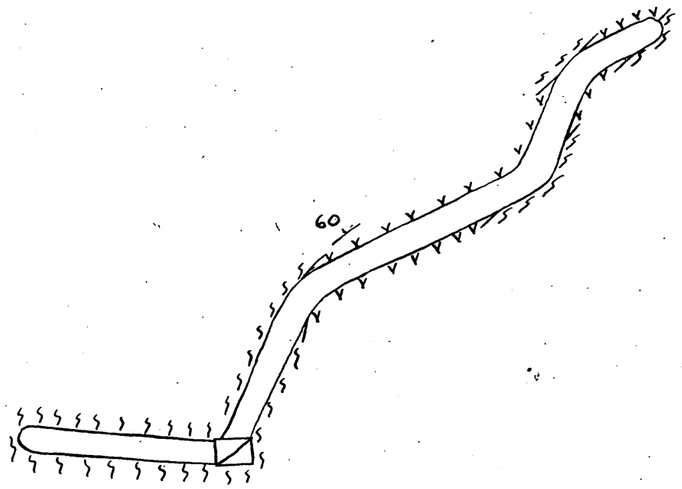
The work was conducted in an excellent manner under difficult conditions of heavy ground and considerable water. No equipment was purchased under the contract.

L. E. Shirley,
Mining Engineer, USBM.

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



Section A-A'



Plan 55' Level

LEGEND
- ~~ mica schist
- v v pegmatite
- strike & dip of contact
- strike & dip of foliation
- — contact
- cut
- --- outline of underground works

0 20' 40'
Scale

SKETCH OF SOL JACOBS (WINECOFF) MINE

MACON CO., N.C.

DMEA-3476

June 29, 1955

RECEIVED
JUL - 7 1955

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, N. C.

The work outlined in this contract has been completed. A toolhouse and two magazines were constructed, an existing 24-foot shaft was enlarged and trimmed, and an additional 36 feet of vertical shaft was sunk. From the 55-foot level of the shaft a total of 100 feet of laterals were driven; 26.5 feet to the northwest and the remainder to the northeast. A pegmatite having a thickness of about 6 feet was explored along its strike for about 65 feet. It consists of plagioclase, quartz, biotite and muscovite.

About 200 pounds of "mine-run" mica which may yield 5 pounds of trimmed sheet mica was recovered from the shaft and the laterals.

Certification of discovery will not be recommended.

The work was done in an efficient and satisfactory manner under difficult conditions.

Date of Exam: June 29, 1955.

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

z

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

RECEIVED JUN 23 1955

Operator: Roy H. Fouts, P. O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina

Lateral work continues on this contract and now totals 80.5 feet. Since the last interim report, dated May 30, 1955, the northeast drift has been advanced to a point 54 feet from the shaft. The last 35 feet of this lateral was driven in a N. 70° E. direction along a pegmatite about 6 feet thick. The pegmatite strikes about N. 60° E. and dips about 60° to the northwest. Some mica of strategic quality is concentrated along the hanging wall.

The mine is not making as much water as formerly and the ground conditions have improved considerably.

The Operator was advised to turn the drift slightly northward and to drive along the hanging wall.

Progress and the work completed to date are satisfactory.

Date of Examination: June 13, 1955

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

L. E. Shirley and J. F. O'Neill, Mining Engineers
U. S. Bureau of Mines

g

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

RECEIVED
JUN 10 1955

June 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 5, Knoxville, Tenn.

Subject: Idm-E740, DMEA-3476, Roy H. Fouts (mica) Franklin, N. C.
Amendment No. 1, Sol Jacobs Mine.

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

Robert A. Laurence
Robert A. Laurence

RECEIVED
JUN 16 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

RECEIVED
JUN - 9 1955

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina

Lateral work is underway on this contract and now totals 37.5 feet consisting of 26.5 feet in a N. 85° W. direction and 11 feet N. 15°E. A pegmatite of undertermined thickness has been encountered in the head of the northeast lateral. It strikes about N. 80° W. and dips 80° to the northeast. A few books of mica have been recovered from the pegmatite. Many faults having small displacements and of diverse attitude are being encountered at the level from which the lateral work is being done.

Heavy ground and considerable water are being encountered. The Operator was advised to keep timber up with all advance.

Progress to date is satisfactory.

Date of Examination: May 30, 1955

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

z

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1006 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 27, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3476, Idm-E740 (mica) Roy H. Fouts, Franklin, N. C.
Sol Jacobs Mine, Macon County, N. C.

Enclosed are four copies of the latest interim report on the subject contract. We are sending the Operator an Amendment providing three additional months for completing the work.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, N. C.

Shaft sinking has been completed on this contract. A crosscut has been turned off and driven 12 feet in a N. 80° W. direction from the 55 -foot level of the shaft. Considerable water necessitated a 5-foot sump.

The crosscut is in weathered mica schist and the pegmatite which dipped out of the shaft at about the 45-foot level has not been intersected. Heavy ground is being encountered in the lateral. The Operator was advised to continue to drive the crosscut to the west and to install heavier timber.

Progress to date is satisfactory.

Date of Examination: May 16, 1955.

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

z

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina

Vertical shaft sinking continues on this contract and is now at 53 feet; this is inclusive of 24 feet of rehabilitated shaft. Material encountered to the 45 foot level was pegmatite, composed of kaolinized feldspar, scattered quartz, biotite, and small muscovite mica. At this point the body dipped out of the shaft to the west at an estimated 50°, and the last 8 feet has been sunk in country rock, a mica schist. Total shaft depth is to be 60 feet, and the Examiners believe it advisable to sink vertically for the remaining 7 feet. The Operator was advised to turn off and begin crosscutting upon completion of the shaft. The shaft has been ~~timbered~~ timbered to near bottom and is in excellent condition. Recent progress on this contract is satisfactory.

Inspected: May 2, 1955

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

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

z

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, N. C.

Shaft sinking has been resumed on this project. The shaft has been sunk and timbered to a depth of 32 feet; 8 feet of which is new work. The entire shaft bottom is in pegmatite except for about 1 foot in the southwest corner which is mica schist.

Date of Examination: April 18, 1955

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

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

z

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, N. C.

No additional shaft sinking has been accomplished since the Interim Report of March 14, 1955. Surface exposures and the project in general was examined by the visitors. Shaft sinking is expected to resume in the near future.

Thor H. Kiilsgaard and Lawrence G. Houk accompanied the Examiners on this visit to the mine.

Inspected: March 31, 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-3476, Idm-E740, SOL JACOBS MINE (mica)

Operator: Roy H. Fouts, P.O. Bx 314, Franklin, North Carolina

Location: On the Southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina.

Vertical shafting continues on this contract and is now at 30 feet. No work was in progress at the mine at the time of this visit. The shaft botton contained water and was not examined. Recent dump material examined indicates that the shaft is being sunk partially in pegmatite. It is not known when work will resume, but from all indications the mine was down only temporarily.

Mr. Robert A. Laurence, Executive Officer, of DMEA, Region V, accompanied the Examiners on this visit to the mine.

Inspected: March 14, 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

DMEA-3476, Idm-E740, (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, N. C.

Shaft sinking is again underway on this contract and is now at 24 feet. Examination of dump material and the shaft bottom indicates that material encountered has been primarily feldspathic, much of which is kaolinized, and contains some small blocks of muscovite mica.

The shaft has been cribbed to near bottom with 2" x 5" sawed oak timbers; a separated partition, ladders and landings have been installed. Powder and exploder magazines have been constructed recently. Hoisting is being accomplished with hand windlass until a mechanical hoist can be obtained. Recent progress on this contract has been good.

Inspected: February 28, 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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

INTERIM REPORT

DMEA-3476, Idm-E740 (mica) SOL JACOBS MINE

Operator: Roy H. Fouts, P.O. Box 314, Franklin, N. C.

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, N. C.

No additional work has been accomplished on this contract since the Interim Report of January 31, 1955. Work is expected to resume as soon as the weather moderates.

Examined: February 14, 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

FEB 14 1955

INTERIM REPORT

DMEA-3476, Sol Jacobs (Winecoff) Mine
Idm-E 740 (mica)

Operator: Roy H. Fouts, P. O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina

Work has been limited on this contract due to severe winter weather. The existing 24-foot vertical shaft has been enlarged and timbered to a depth of 5 feet. A powder magazine and an exploder magazine have been constructed.

Work completed to date is satisfactory.

Examined: January 31, 1955

K. H. Teague D. H. Amos

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

g

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

INTERIM REPORT

DMEA-3476, Sol Jacobs (Winecoff) Mine
Idm-E 740 (mica)

Operator: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

Location: On the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina

The effective starting date on this contract is January 3, 1955. A road has been bulldozed to the work site and a toolhouse constructed. The existing 24-foot shaft has been enlarged and trimmed to a depth of 4 feet.

K. H. Teague D. H. Amos

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

Examination date:
January 17, 1955.

z

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

December 9, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Signed Contract: Idm-E740, DMEA-3476, Roy H. Fouts (mica)

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

Robert A. Laurence

Robert A. Laurence

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

November 15,1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3476, Roy Herbert Fouts

Attached hereto is a contract covering the above-described project in satisfactory legal form for execution,

It is noted that 138 acres are involved in this small project.

J. L. Hofflund
Acting Assistant Solicitor

Attachments 8

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

November 15,1954

MSinRR

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3476, Roy Herbert Fouts

Attached hereto is a contract covering the above-described project in satisfactory legal form for execution.

It is noted that 138 acres are involved in this small project.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor

Attachments 8

HCRubin/emd
Copy to: Solicitor's Docket
DMEA Docket
L. G. Houk (2)
J. L. Hofflund
H. C. Rubin
chron.

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

November 15,1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3476, Roy Herbert Fouts

Attached herete is a contract covering the above-described project in satisfactory legal form for execution,

It is noted that 138 acres are involved in this small project.

J. L. Hofflund,

J. L. Hofflund
Acting Assistant Solicitor

Attachments 8

FILE COPY
Surname:
Anderson
Houk
Talbot
Selfridge
Johnson

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

NOV 26 1954

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

Subject: Docket No. DMEA-3476 - Mica
Roy Herbert Fouts
Sol Jacobs Mine
Macon County, North Carolina

Dear Mr. Laurence:

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

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

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated October 19, 1954, and from the Bureau of Mines, dated October 15, 1954, are enclosed.

Sincerely yours,

George C. Selfridge by 257
Chairman, Operating Committee

Approved:
J. H. Hedges by 257
Member, Bureau of Mines

Thor H. Kiilsgaard by 257
Member, Geological Survey

Enclosures 10

WCAnderson:ag 11/22/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

A.C.G.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 27 1954

P.O. Box 314
Franklin, North Carolina
October 25, 1954

Mr. C.O. Mittendorf
U.S. Department of the Interior
Defense Minerals Exploration Adminstration
Washington 25, D.C.

Re: Docket No. DMEA-3476 - Mica
Sol Jacobs Mine
Macon County, North Carolina

Dear Mr. Mittendorf:

In your letter of September 24 you requested a better description of the property, which I wish to explore, and the reference to the County Book of Deeds is not enough.

The following is a description of the property as it appears in the office of Register of Deeds in Macon County, North Carolina, in Book SS of Deeds, page 243. This description is very old and is hard to recognize unless you were on the property. I pointed out where the lines of the property were to the Field Team and however; vague the description may seem there is no question but the title to the property is good.

Beginning on the east with the line of Clarinda Mashburn and run with her line to James Cansler line; then with James Canslers line to Dass Jacobs line on the south; thence with Jacobs line to the H.H. Raby's line; then to Matt Rays line and from Rays to the old B. P. Jacobs line; thence east with said line to the beginning. Containing 138 acres, more or less.

Yours very truly,

Roy H. Fouts

ROY H. FOUTS

IN REPLY REFER TO:

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 20 1954

October 19, 1954

Re: DMEA-3476
Roy H. Fouts
(Sol Jacobs Mine)
Macon Co., N. C.
$5,328 - 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 has recommended a project be approved for this property.

An existing 24-foot shaft will be deepened to a total depth of 60 feet and 100 feet of drifting will be done from the bottom of the shaft.

An excellent quality of mica occurs on this property. Apparently sufficient surface exposures are present to justify underground work without further trenching.

I recommend the proposed exploration project be approved.

E. L. Newcomb

E. L. Newcomb

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

Defense Minerals Exploration 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-3476 (mica)

Applicant: Ray Fouts

Name and Location of Property: Sol Jacobs (Winecoff) Mine
Macon 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. This mine has a record of past production and recently produced about $250 worth of strategic mica. The examiners believe the possibility of further discovery is good.

2. Proposed exploration is consistent with good engineering practice and estimated costs are in line with other DMEA projects in this area.

3. Costs are estimated to total $5,328.

Recommendation:

I concur in the field team's recommendation for an exploration project in the amount of $5,328.

W. F. Dietrich

W. F. Dietrich

ME[illegible]0

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
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS:

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

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

October 1, 1954

OCT - 4 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII - Knoxville, Tenn.

Subject: Examination Report - DMEA-3476, Sol Jacobs Mine, Macon Co., N. C.
Roy H. Fouts, Applicant

Transmitted are four copies of the subject field team examination with six extra copies of the map. The Field Team concurs with the examiners in recommending that exploratory assistance be granted.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3476, SOL JACOBS (WINECOFF) MINE
(mica)
Macon County, North Carolina

BY

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

September 21, 1954

FIELD EXAMINATION REPORT
On

DMEA-3476, SOL JACOBS (WINECOFF)MINE
(mica)

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

11/24/54

Applicant: Roy H. Fouts, P.O. Box 314, Franklin, North Carolina

This deposit has produced a considerable amount of mica in the past. Recent work in the area resulted in the production of about $250 worth of mica. Possibilities for the discovery of a worthwhile mica deposit at this place are good, thus exploration assistance is recommended.

The property was examined on September 21, 1954. Messrs. Roy H. Fouts and Parks Brendle accompanied the examiners on the inspection which required two hours.

The Sol Jacobs (Winecoff) mine is on the southeast side of Jacobs Branch, 2.5 miles northwest of Franklin, Macon County, North Carolina. Access is excellent at all times.

The applicant has considerable mica mining experience. He is one of the better operators in the district and is competent to conduct the proposed project. At present he is operating successfully the Allman Cove, Chalk Hill, and Poll Miller Mines.

The deposit is leased by the applicant. Area of the lease is adequate for the proposed project.

Workings at this place extend over a distance of about 800 feet. Numerous shallow pits, trenches, and shafts have more or less established the presence of pegmatite over the entire distance. Most work has been done on the northwest end of the area where several shafts were sunk to a depth of 35 to 65 feet deep. All are now caved.

About 1906-7 Sterrett examined the property, Mica Deposits of the United States, U. S. G. S. Bull. 740, P.236. At the time of that examination many of the now caved openings were available for inspection. He states that in the northwestern part of the area the pegmatite is from 5 to 8 feet thick showing streaks of quartz. At the southeast end remains of ancient workings were found and later four shafts with ground hog tunnels were made. At this end the pegmatite has a width of about 25 feet. All of the above work was done before 1907.

Sterrett further states that the workings on the southeast are probably on a different body of pegmatite from that found to the northwest, though a swing in the strike (northwest) at the southeast end might bring the same ledge of pegmatite to that area worked to the northwest.

Since the above was written, very little work has been done on the deposit. So far as the examiners could determine only the recent work by Brendle, described in the application, has been done. This recent work consisted of cutting an east-west bulldozer trench across the pegmatite to a depth of about 15 feet and sinking a circular, 4-foot diameter, shaft to a depth of 24 feet. Water level in the area of the recent work is 20 feet below floor of the trench.

In the northwest part of the area the pegmatite trends about N. 55° W., dipping 70° N. E. As mentioned previously, the dike is 5-8 feet thick, weathered, and has a "streaked" appearence. Position of mica in the pegmatite is not known.

At the southeastern end (area concerned in this application) the pegmatite trends about N-S, and has a near vertical dip. It is about 25 feet thick, weathered, contains numerous streaks of "burr-rock" and inclusions of mica gneiss wall rock. It appears that most previous work was conducted along the west wall; apparently most of the mica is concentrated along this contact. ~~tract.~~ It was from this position that Brendle obtained mica recently.

Mica from this deposit is of excellent quality. It is hard, clear, free splitting, flat, and ruby colored. Some is ruled and is intergrown with biotite. Books up to 6 inches across occur at this place.

Surface evidence suggests that old works extended to about 30 feet, probably to water level. The examiners believe that there is an excellent possibility for the discovery of a worthwhile mica deposit at this locality.

We recommend that the 24-foot shaft be trimmed to 5' x 7', timbered and deepened to 60 feet. From the bottom of the shaft 100 feet of levels should be driven on the pegmatite.

Estimated Cost:

Trim to 5' x 7', timber 24' shaft (5 shifts)

Toolhouse		$75.00
Powder magazine		25.00
Exploder Magazine		13.00
Labor:		
1 - Miner-timberman @ $1.50/hr.	$60.00	
1 - Hoistman @ $1.25/hr	50.00	
1 - Laborer @ $1/hr.	40.00	
Equipment (rental):		
Hoist @ $50/mo.	12.50	

Supplies:

Timber, 2500 BF @ $60/M	$150.00	
Nails, small tools	75.00	
Gasoline and oil	15.00	
Miscellaneous	12.50	$ 415.00

Sink 36 feet, 5' x 7', 2-compartment shaft (25 shifts)

Labor:

1 - Miner @ $1.50/hr.	300.00	
1 - Hoistman @ $1.25/hr.	250.00	
1 - Laborer @ $1/hr.	200.00	

Equipment (rental):

Compressor and drill @ $220/Mo.	275.00	
Pump @ $20/Mo.	25.00	
Hoist @ $50/Mo.	62.50	

Supplies:

Explosives	110.00	
Timber, 3000 bf @ $60/M.	180.00	
Drill steel	50.00	
Gasoline and oil	75.00	
Small tools, pipe, etc.	125.00	
Miscellaneous,	47.50	
Social Security, Insurance, etc.	100.00	1,800.00

Drive 100 feet drift on pegmatite (40 shifts)

Labor:

1 - Miner @ $1.50/hr.	480.00	
1 - Hoistman @ $1.25/hr.	400.00	
2 - Laborers @ $1/hr.	640.00	

Equipment (rental)

Compressor and drill @ $220/Mo.	440.00	
Pump @ $20/mo.	40.00	
Hoist @ $50/mo.	100.00	

Supplies:

Explosives	300.00	
Gasoline and oil	120.00	
Drill steel	125.00	
Small tools	75.00	
Miscellaneous	80 .00	
Social Security , Insurance, etc.	200.00	3,000.00

Estimated Total Cost..... $5,328.00

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

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

Docket Copy
Surname:
Houk Selfridge
Johnson

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

SEP 24 1954

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

Subject: Docket No. DMEA-3476 - Mica
Roy Herbert Poats
Sol Jacobs Mine
Macon County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated September 13, 1954, and from the Bureau of Mines, dated September 17, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge
(cy 257)

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

Docket Copy
Surname:

Hopkins
Houk
Kiilsgaard
Hedges
Selfridge
J Johnson

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

600

SEP 24 1954

Mr. Roy Herbert Fouts
P. O. Box 314
Franklin, North Carolina

Re: Docket No. DMEA-3476 - Mica
Sol Jacobs Mine
Macon County, North Carolina

Dear Mr. Fouts:

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.

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.

We need a better description of the property than that given in the lease. Reference to the County Book of Deeds is not enough. Kindly submit a legal description that gives the bounding bearings and distances, and the total acreage. A property map, if available, showing relationship of mine to boundary lines would be helpful.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 9/22/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

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

September 17, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3476 (mica)

Applicant: Roy Fouts

Name and Location of Property: Sol Jacobs Mine
Macon County, North Carolina

Date Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: 9/9/54

Comments:

1. No data available in this office on subject mine.
2. It appears that an extension of the shaft constructed by Brendle may be a more logical approach to the exploration than that proposed by the applicant.

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

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
SEP 14 1954

September 13, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3476 (Mica)

To: L. G..Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant's name and address: Roy H. Fouts, Box 314, Franklin, N. C.
Name of property: Sol Jacobs Mine
Location of property: 3 miles from Franklin, Macon Co., N. C.
Summary of applicant's proposal:
100 feet - shaft
100 feet - drift
Total cost -- $8,500
Sources of information of applicant's property:
We have no available information on this property.
Comments:
Although a limited amount of past production is reported by the applicant, the need for the deep shaft is not substantiated by the application data. A more limited project may be geologically warranted.

RECOMMENDATION: The application should be referred to the Field Team for their review and a field examination if they deem it necessary.

E. L. Newcomb
E. L. Newcomb

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

September 8, 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 - 3476 Roy Herbert Fouts

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

September 8, 1954

Subject: DMEA-3476
Re: Exploration Assistance
Sol Jacobs Mine

Mr. Roy Herbert Fouts
P. O. Box 314
Franklin, N. C.

Dear Sir:

The receipt of your application dated September 1, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3476 and referred to the Non-Metallic Minerals Division.

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

Sincerely yours,

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

September 3, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Application from Roy H. Fouts, Franklin, N.C. Sol Jacobs Mine (mica)

Enclosed are 3 copies of an application received in this office from Roy H. Fouts, of Franklin, N. C. The fourth copy is being retained here.

Six signed copies of MF-203, Revised 7-1-54, are also enclosed.

Mr. Fouts is an experienced mica operator, and has diligently and efficiently carried out work on previous DMEA exploration contracts.

Robert A. Laurence

Robert A. Laurence

September 3, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Application from Roy H. Fouts, Franklin, N.C. Sol Jacobs Mine (mica)

Enclosed are 3 copies of an application received in this office from Roy H. Fouts, of Franklin, N. C. The fourth copy is being retained here.

Six signed copies of MF-203, Revised 7-1-54, are also enclosed.

Mr. Fouts is an experienced mica operator, and has diligently and efficiently carried out work on previous DMEA exploration contracts.

Robert A. Laurence

RAL/mm

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. 3476
Metal or Mineral MICA
Date Received
Estimated Cost $8,500
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: Roy Herbert Fouts
P.O. Box 314
Franklin, North Carolina

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The Sol Jacobs Mine on the waters of Rocky Branch, and being more fully described in a deed from Sol Jacobs to M.D. Billings, said deed bearing date of 10 October 1904, and registered in the office of the Register of Deeds for Macon County, North Carolina, in Book SS of Deeds, page 243.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee (Six copies of owners consent to lsin attached)

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

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

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

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

(*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. 3 miles from Town of Franklin, N.C. on good gravel road.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.
Manpower fair, materials & supplies good, electricity on property water on property, equipment can be obtained from Spruce Pine, N.C. or Atlanta, Georgia

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

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

(*c*) The work will start within 30 days and be completed within Six 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?

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 1 September, 1954

(Applicant)

By Roy Herbert Foots

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

Exhibit "A"

4 - (a) The mica mine has been worked intermittently by many operators. The workings consist of several small pits and four or five large ones, six shafts ranging in depth from 15 to 40 feet, and many short drifts on various levels. There is two inclined shafts to a depth of 30 feet. On the east end there are two pegmatite bodies or divided by mica gneiss. Here the mica is of better quality. The last work that was done Parks Brendle exposed the pegmatite on the South East end, with a bull-dozer. Then he put down a shaft 40 feet deep with the help of two other fellows with a hand hoist. They hit water and had to stop because they didn't have a pump.

(b) Brendle recovered 1000 lbs of mica from his operation and the mica was flat, rather small, but hard, clear, and dark-rum.

(c) The rocks of the area are the typical gneisses of Archaeozoic age which are highly folded and faulted. The pegmatite is composed of partly kaolinized feldspar, quartz, muscovite and biotite.

5 - (b) I propose to put down a shaft 5' x 7' one hundred feet deep. This to be located near the shaft where Brendle put his shaft down to water, which is discussed in item four above. This proposed shaft will be divided into two compartments by a partition, and approved ladders are to be installed in the manway compartments. From about the 95 foot point in the shaft I plan to drive a 100 foot cross and/or drift. Drift to be 6' x 6' in the cross section.

(d) I have been associated with Mica Development Corporation directing all operations in the extraction of mica from the Chalk Hill Mine for the passed eight years.

Parks Brendle will supervise the operation and he has been mining mica for over 10 years.

6. Estimate of Cost:

100' shaft @ 50.00 per foot		5,000.00
100' drift @ 35.00 per foot		3,500.00
Line Tool Shed	150.00	
Building Road	100.00	
Power Line,	150.00	
Magazine for Dynamite	25.00	
Magazine for Exploders	13.00	
Labor: Foreman------12.00 per day Driller------10.00 " " Mucker--------8.00 " " Hoist Op.------8.00 " " 38.00 " "		
$38 per day and 30 days per month for $760 per month and 6 month for contract	4560.00	
Dynamite	575.00	
Exploders	30[illegible].00	
Timber for Mine	350.00	
Drill Steel	375.40	
Gas & Oil	300.00	
Rental on Aircompressor	1200.00	
Rental on Hoist	300.00	
Rental on Jack-hammer, hose, pipe, hand tools, wheel barrow, etc.	138.60	
Total		8500.00

NORTH CAROLINA
MACON COUNTY

THIS LEASE AGREEMENT, Made and entered into this the 10th day of July, 1954, by and between ELIZA COBB GRIST and husband PAUL L. GRIST, of Macon County, North Carolina, parties of the first part, hereinafter designated as lessors, and ROY H. FLUTS, of said County and State, hereinafter designated as lessee, party of the second part,

WITNESS TH: That the said parties of the first part do hereby lease unto party of the second part, his heirs and assigns, the mica and mica mining privileges upon a certain tract or parcel of land in Franklin Township, Macon County, North Carolina, described as follows:

> The Sol Jacobs mine on the waters of Rocky Branch, and being more fully described in a deed from Sol Jacobs to M. D. Billings, said deed bearing date of 10 October, 1904, and registered in the office of the Register of Deeds for Macon County, North Carolina, in Book SS of Deeds, page 243.

This lease is made upon the following terms and conditions:

1. Lessee agrees to pay lessors a royalty of 12½ per cent of the gross sale price of all sheet mica, and 1.50 per ton for all scrap mica recovered from said property, and all royalty payments shall be due and payable within ten (10) days from the date of sale.

2. Lessee agrees to keep a record of all sales which shall be open for inspection of lessors at all times.

3. The duration of this lease shall be three years from the date hereof, but it is understood and agreed that if mining operations upon said property shall prove profitable, that lessee shall have the right to renew this lease for an additional twelve months at the end of said time.

4. It is understood and agreed between the parties hereto that lessee will begin mining operations within ninety days from the date hereof and continue such operations for as long as same may be profitable.

5. Lessee shall pay to lessors a minimum royalty of Fifteen ($15.00) Dollars per month beginning on the first day of January, 1955, which minimum royalty shall cover that calendar month. The minimum royalty payment made in each month shall be credited against the earned royalty of the same month, but the minimum royalty payment of any calendar month shall not be credited against the earned royalty of any following month.

TO HAVE AND TO HOLD the said mica and mining privileges herein set forth according to the terms hereof, unto the said Roy H. Fouts, his heirs and assigns, to their own use and behoof.

IN TESTIMONY WHEREOF the parties hereto have set their hands and affixed their seals the day and year first above written.

Eliza Cobb Grist (SEAL)

Paul L. Grist (SEAL)

Roy H. Fouts (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day ELIZA COBB GRIST and husband PAUL L. GRIST, and [illegible] FOUTS, who acknowledged the due execution of the foregoing lease agreement for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this 25th day of August, 1954.

Cecile Gibson
Notary Public, Macon County, N. C.

My Commission Expires December 22, 1955.

NORTH CAROLINA, Macon County.

The foregoing certificate of Cecile Gibson Notary Public of Macon County, State of N. C., attested by ~~his~~/her notarial seal, is adjudged to be correct.

Let the instrument, with the certificates, be registered.

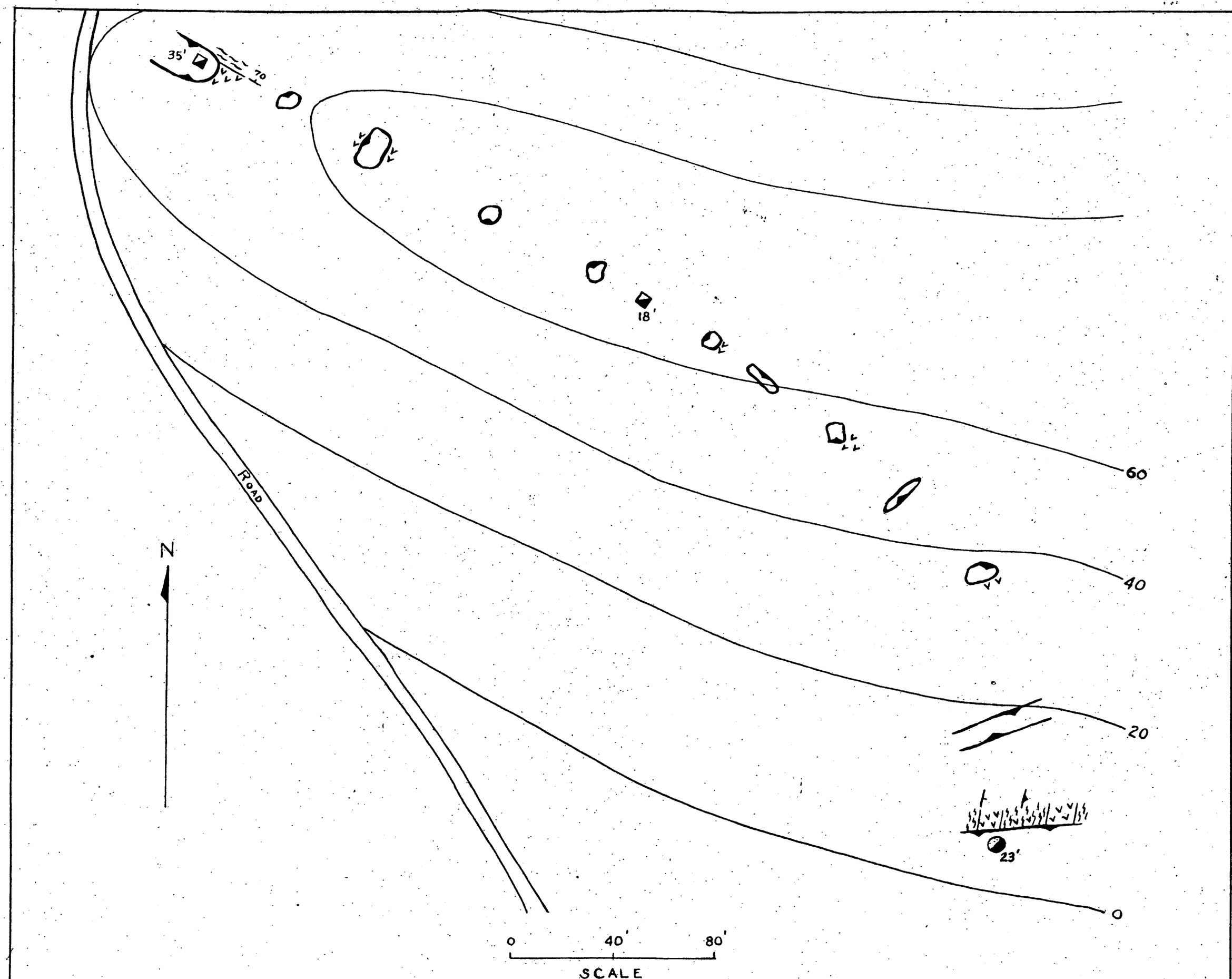
Witness my hand and official seal, this 25 day of August, 1954

Kate M. McGee
CLERK SUPERIOR COURT.

Filed for registration on the 25 day of August 19 54, at 5:00 o'clock P. M., and registered and verified in the office of the Register of Deeds for Macon County in Book No. E-6 Page 365

This 26 day of August 1954

[illegible]
Register of Deeds for Macon County

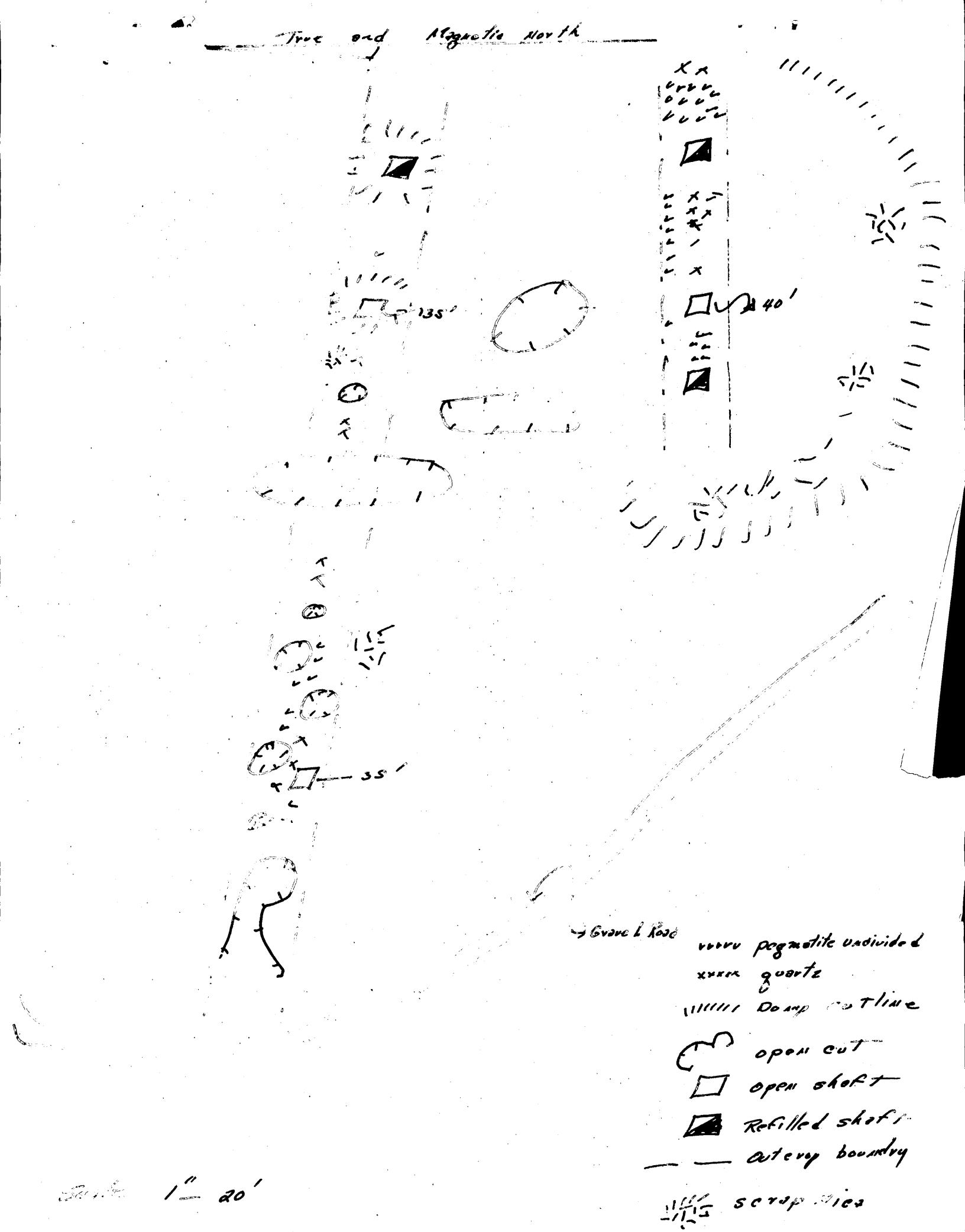


SKETCH OF

SOL JACOBS (WINECOFF) MINE

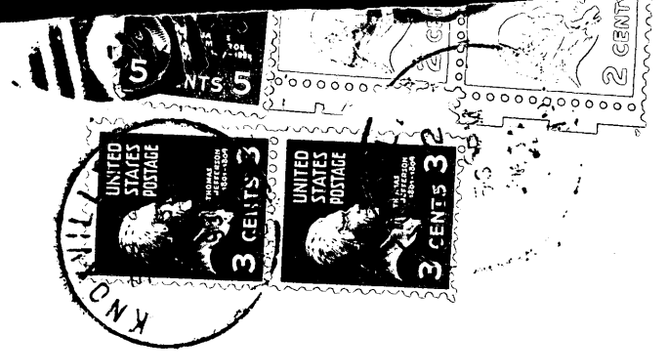
MACON CO., N.C.

DMEA-3476 (mica)


True and Magnetic North
135'
40'
35'
Gravel Road
pegmatite undivided
quartz
Dump outline
open cut
open shaft
Refilled shaft
outcrop boundary
scrap piles
Scale 1" = 20'

DEFENSE MINERALS
EXPLORATION ADMINISTRATION
~~WASHINGTON 25,~~ D. C.

OFFICIAL BUSINESS



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