DMEA 3477

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED 9-7-54
2	CONTRACT	DATE 12-7-54
3	TERMINATION AGREEMENT	DATE
4	CERTIFICATION	DATE
5	AUDIT REPORT	DATE
6	AMENDMENTS - NUMBERS	DATE

Docket Copy

MF-200A
(Revised June 1954)

Docket No. DMEA 3477

Commodity Mica

Contract No. Idm-E 742

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

It is agreed this 7 day of December, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] E. K. Sparks, whose mailing address is Spruce Pine, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

[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 Rice. The work to be performed is described in Exhibit "A." The Operator on or before February 7, 1955 shall commence the work, and on or before July 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $7,716.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $5,787.00: *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.

E. K. Sparks
(Operator)

By E K Sparks

THE UNITED STATES OF AMERICA

By O O Mittendorf
Administrator, Defense Minerals
Exploration Administration

Austin
Hoffman
Anderson
Hook
Talbert
Selbridge
Johnson

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

EXPLORATION PROJECT CONTRACT
E. K. SPARKS
DOCKET NO. DMEA-3477

ANNEX I

The land referred to in Article 2 of the Contract form is known as Prospect No. 4 and Prospect No. 5 of E. K. Sparks Prospects and is owned by the Operator. This property is located one mile northwest of Spruce Pine, Mitchell County, North Carolina, on the north side of the North Toe River. The two prospects to be explored are described as follows:

Prospect No. 4

Beginning on a small birch tree on the bank of the road S 33° W 52 feet from concrete base 6 feet by 7 feet and running N 45° E 500 feet to a stake; thence N 45° W 500 feet to a stake; thence S 45° W 500 feet to a stake; thence S 45° E 500 feet to the beginning.

Prospect No. 5

Beginning at the center of an incline shaft 140 feet SW of a locust gate post and running north 250 feet; thence west 250 feet; thence south 500 feet; thence east 500 feet; thence north 500 feet; thence west 250 feet to the beginning.

EXPLORATION PROJECT CONTRACT
E. K. SPARKS
DOCKET NO. DMEA-3477

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in two areas, Prospect No. 4 and Prospect No. 5, shown on the attached sketch entitled "Sketch of E. K. Sparks Prospects, Mitchell Co., N. C., DMEA-3477 (mica)." The work shall consist of three stages in Prospect No. 4 and of one stage in Prospect No. 5, as follows:

Prospect No. 4

Stage I

Cut an east-west trending bulldozer trench along the pegmatite. The dimensions of the trench shall be not less than 300 feet long, 20 feet wide, and 6 feet deep (1,333 cubic yards).

Stage II

If approved in advance by the Government, based upon the results of Stage I, Stage II shall be undertaken. This stage consists of sinking not more than an aggregate of 75 feet of test pits, none of which shall exceed 25 feet in depth. The test pits shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 5 feet in the clear of timber.

Stage III

If approved in advance by the Government, based upon the results of Stage II, Stage III shall be undertaken. This stage consists of drifting not more than an aggregate of 50 feet on the pegmatite from the bottom of the deeper test pits. The drifts shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

Prospect No. 5

1. Construct:

(a) A toolhouse, minimum dimensions 8 feet by 10 feet by 7 feet high.

(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 braced at the corners. Lumber for these two boxes shall be smooth on the inside of boxes. No metal shall be exposed; and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Dewater, clean out, trim and timber the portal of the existing 20-foot incline.

3. Extend the incline on the pegmatite an additional 40 feet of a 2-compartment incline to a total depth of not more than 60 feet.

4. From the incline, drift and/or crosscut on the pegmatite not more than an aggregate of 75 feet.

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

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

Fixed Unit Costs

Prospect No. 4

Bulldozing - 1,333 cubic yds. @ $0.375/cu. yd. (rounded to)	$ 500.00

Testpitting - 75 feet @ $15.00/ft.	$ 1,125.00	
Drifting - 50 feet @ $25.00/ft.	1,250.00	
Estimated Total Cost of Prospect No. 4		$ 2,875.00

Prospect No. 5

Construction - Toolhouse 1/	78.00	
Powder Magazine 1/	25.00	
Exploder Magazine 1/	13.00	
Rehabilitate existing 20-foot incline @ $15.00/ft.	300.00	
Sinking - 40 feet of incline @ $45.00/ft.	1,800.00	
Driving - 75 feet of drifts and/or crosscuts @ $35.00/ft.	2,625.00	
Estimated Total Cost of Prospect No. 5		$4,841.00
Estimated Total Cost of Project		$7,716.00
Government participation @ 75%		$5,787.00

1/ The completed work constitutes the unit.

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

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Selfridge
Johnson

MAR 30 1956

Mr. E. K. Sparks

Spruce Pine, North Carolina

Re: Docket No. DMEA-3477-Misc
E. K. Sparks
E. K. Sparks Prospects
Mitchell County, North Carolina
Contract No. Idm-8742

Dear Mr. Sparks:

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,

[illegible] Mine[illegible]

Administrator

WCAnderson:ms 3/28/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

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

March 28, 1956

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-3477-Mica
Contract No. Idm-E742
E. K. Sparks Prospects
Mitchell County, North Carolina

Application: Form MF-103(April, 1952) received September 7, 1954
Work proposed: Bulldozing, test pitting, shaft sinking and drifting on 5 different prospects.
Amount requested: $24,450.00
Operator: E. K. Sparks
Spruce Pine, North Carolina
Operator's property rights: Owner

2. Contract: Form MF-200A(June,1954), dated December 7, 1954
Work authorized:

Prospect No. 4	
Bulldozing	$ 500.00
50 feet of drifts @ $25.00/ft.	1250.00
Prospect No. 5	
Construction - toolhouse, powder and exploder magazines	$ 116.00
Rehabilitation 20 feet of incline @ $15.00/ft.	300.00
40 feet of incline @ $45.00/ft.	1800.00
75 feet of drifts and/or cross-cuts @ $35.00/ft.	2625.00
Estimated total cost of project	$7716.00
Government participation @ 75%	$5787.00

Amendments: None
Work Completed:

Prospect No. 4	
Bulldozing	$ 500.00
Prospect No. 5	
Constructed - toolhouse, powder and exploder magazines	$ 116.00
Rehabilitated incline	300.00
36 feet of incline @ $45.00/ft.	1620.00
75 feet of drifts and/or cross-cuts @ $35.00/ft.	2625.00
Total accepted cost	$5161.00
Government participation	$3870.75

Work began January 11, 1955 and ended June 14, 1955.
Field Team Final Report received July 22, 1955.
Operator's Final Report received July 22, 1955.
Production during project: 3,300 pounds "mine-run" mica, resulting in:

Trimmed sheet(53.74 lbs)	$630.85
Scrap(2953 lbs.)	52.06
Punch(258 lbs.)	15.48
Total	$698.39

Royalty received: $34.92
No reported sales or royalty payments since.
Reserves are negligible
No equipment purchased under contract.

3. Audit: Report of Review issued June 29, 1956

Accepted Cost	$5161.00
Government participation	$3870.75

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.
Work covered 2 separate pegmatites - Prospect No. 4 and Prospect No. 5

Prospect No. 4

A 2-5-foot thick by 300-foot long weathered conformable pegmatite was proven by bulldozing only to be not worthwhile as there was only a limited amount of green, small, badly cracked and stained mica.

Prospect No. 5

Geological Premise:
The premise that a mica-bearing pegmatite would continue in depth and laterally proved wrong as from the information developed, the estimated mica reserves is negligible.
Geological Criteria upon which work was based:

1. Pegmatite - 15 to 20 feet thick, exposed for a distance of 300 feet. Poorly defined zoning, unweathered and enclosed conformably by mica and hornblende schist.
2. Mica - strategic grade, green, hard, generally clear and of medium size
3. No record of past production

5. Comments(continued)

Criteria developed during project:

1. Pegmatite - 15 to 20 feet thick, poorly zoned and conformably enclosed by interlayered hornblende gneiss and mica schist.
2. Mica - sparse and of small size. Reserves are negligible, most of which are valuable only as scrap.

Future possibilities:

Recovery of mica per unit volume of work is too low to sustain an economic operation.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to certify the project.

The Commodity Members of the Geological Survey and Bureau of Mines concur.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

IN REPLY REFER TO:

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

RECEIVED
AUG 31 1955

August 30, 1955

Re: DMEA 3477, Idm-E742
E. K. Sparks
Sparks Prospect
Mitchell Co., N. C.
$7,716.00 - 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.

Better production was to be expected from the exploration of this large pegmatite. In view of the results of the sampling the conclusions of the examiners are justified.

I concur with the recommendation of the Field Team that no certification be issued.

N. E. Nelson

N. E. Nelson

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

RECEIVED
AUG - 2 1955

August 2, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3477 (mica)

Applicant: E. K. Sparks

Name and Location of Property: E. K. Sparks Prospect
Mitchell County, North Carolina

Contract Number: Idm-E 742

Date of Field Team Report: July 18, 1955

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

Field Team Recommendation: Recommend no certification of discovery

Comments:

1. No strategic quality mica was encountered in the pegmatite dike.

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.~~

COPY

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

July 20, 1955

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

Reviewed by
DMEA OPERATING COMMITTEE
7-27-55
(date)

RECEIVED
JUL 22 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
By
FIELD TEAM, REGION V - (mica)

DMEA- E. K. SPARKS PROSPECT, Mitchell County, N. C.

DMEA-3477, Idm-E742.

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 18, 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-27-55
(2650)

FINAL REPORT
On
DMEA-3477, Idm-E742 (mica) E. K. SPARKS PROSPECT

RECEIVED
JUL 22 1955

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, North Carolina

Exploration conducted on two pegmatites under this contract failed to reveal a mica deposit that could be operated economically. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted. Work began January 11, 1955 and ended June 14, 1955.

Prospect 4. Work completed at this location consisted of bulldozing an east-west trending trench about 300' x 20' x 9' deep under Stage I of the contract. Stages II and III were not undertaken as only a limited quantity of mica, mostly of non-strategic grade, was discovered by the dozing.

A pegmatite having an average thickness of about 3 feet was exposed by the trenching. It strikes east-west and dips about 25° to the south. The hanging wall is gradational into alaskite and the footwall is in conformable contact with mica schist. The body consists of perthite, plagioclase, quartz and muscovite and does not exhibit any zoning.

About 300 pounds of poor quality mica were recovered. It is green-colored, small in size, badly cracked and considerably mineral stained. Very little was of strategic quality. Reserves of strategic mica revealed by this work completed are negligible.

Prospect 5. The work completed at this location consisted of constructing a toolhouse, powder magazine and exploder magazine; rehabilitating an existing 20-foot incline; deepening this incline an additional 36 feet; and driving a total of 75 feet of drifts from the bottom of the incline. The incline was sunk at a -35° inclination in a S. 45° E. direction. A 70-foot drift was driven in a N. 45° E. direction and a 5-foot drift S. 45° W., both from the bottom of the incline.

A conformable pegmatite 15-20 feet thick was explored by the work completed. It strikes N. 45° E and dips about 30-35° to the southeast. The body is poorly zoned consisting of a central portion 12-18 feet thick of perthite, quartz, sparse ~~muscovite~~ muscovite of small sizes and garnet enclosed by a zone 1-2 feet thick of perthite, plagioclase, quartz and muscovite. The mica is of larger size in the footwall part of the latter zone than in the hanging wall portion. All the exploration was confined to the footwall of the pegmatite. The enclosing wall rock is interlayered hornblende gneiss and mica schist.

About 3000 pounds of "mine-run" mica were recovered from the incline and the drifts. It is green-colored, flat, partly cracked, and in part mineral stained. Much is of value only as scrap. The recovery of mica per unit volume of rock is too low to sustain an economic operation at this prospect. Reserves of economically recoverable strategic mica are negligible.

A summary of the mica recovered is as follows:

Trimmed strategic mica worth $630.85.

	#3 and Larger	4 & 5	5½ & 6
Good stained & Better	.03 lbs.	3.62 lbs.	16.82 lbs
Stained		3.58	28.27 "
Heavy-stained		0.25	1.17

Scrap - 2953 lbs. worth $52.06
Punch - 258 lbs worth 15.48

Expenditures:

(a)	Total approved	$7,716.00
(b)	Total cost of project	5,161.00
(c)	Gov.'s share of cost	3,870.75
(d)	" " unexpended	1,916.25
(e)	Value of production during opr.	698.39
(f)	Royalty received to date	34.92

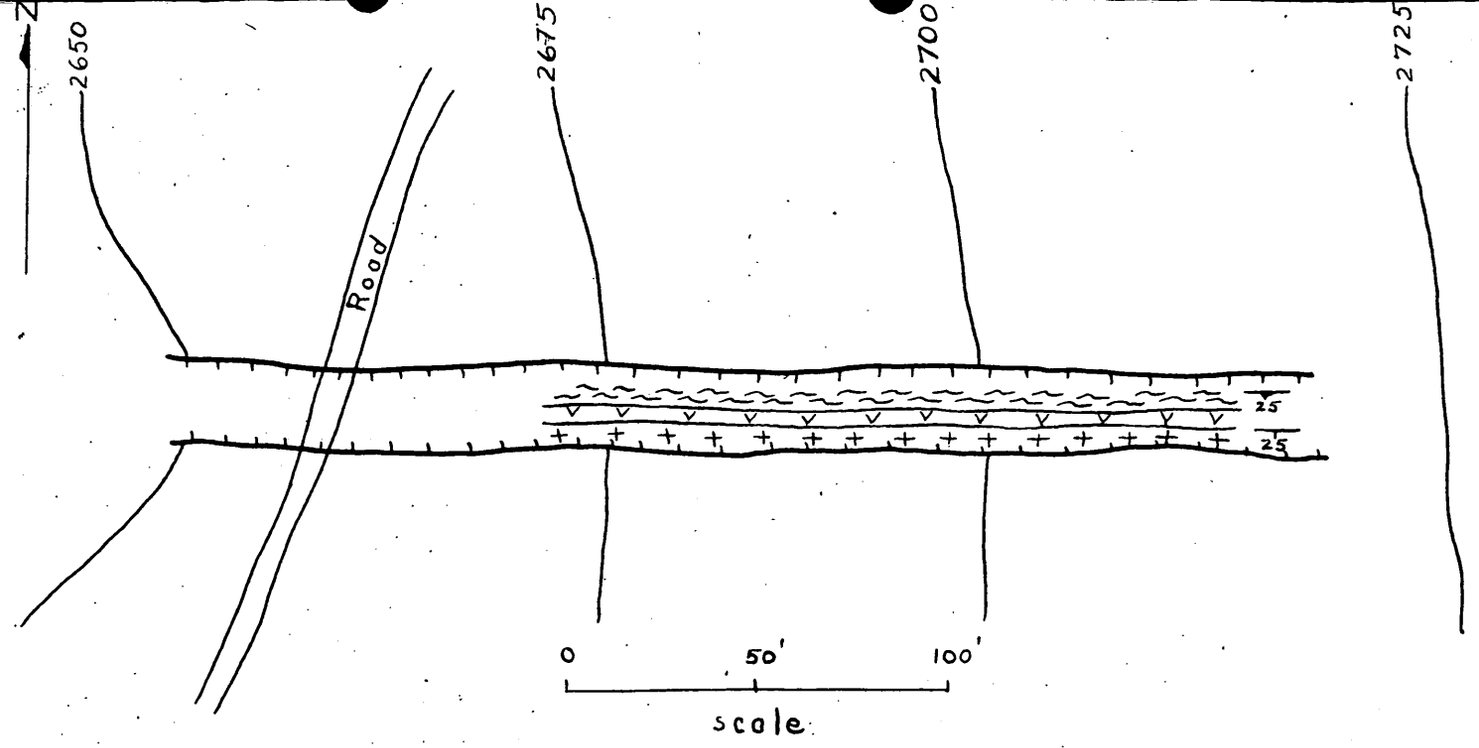
The work was conducted in an efficient and satisfactory manner.

No equipment was purchased under the contract.

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

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

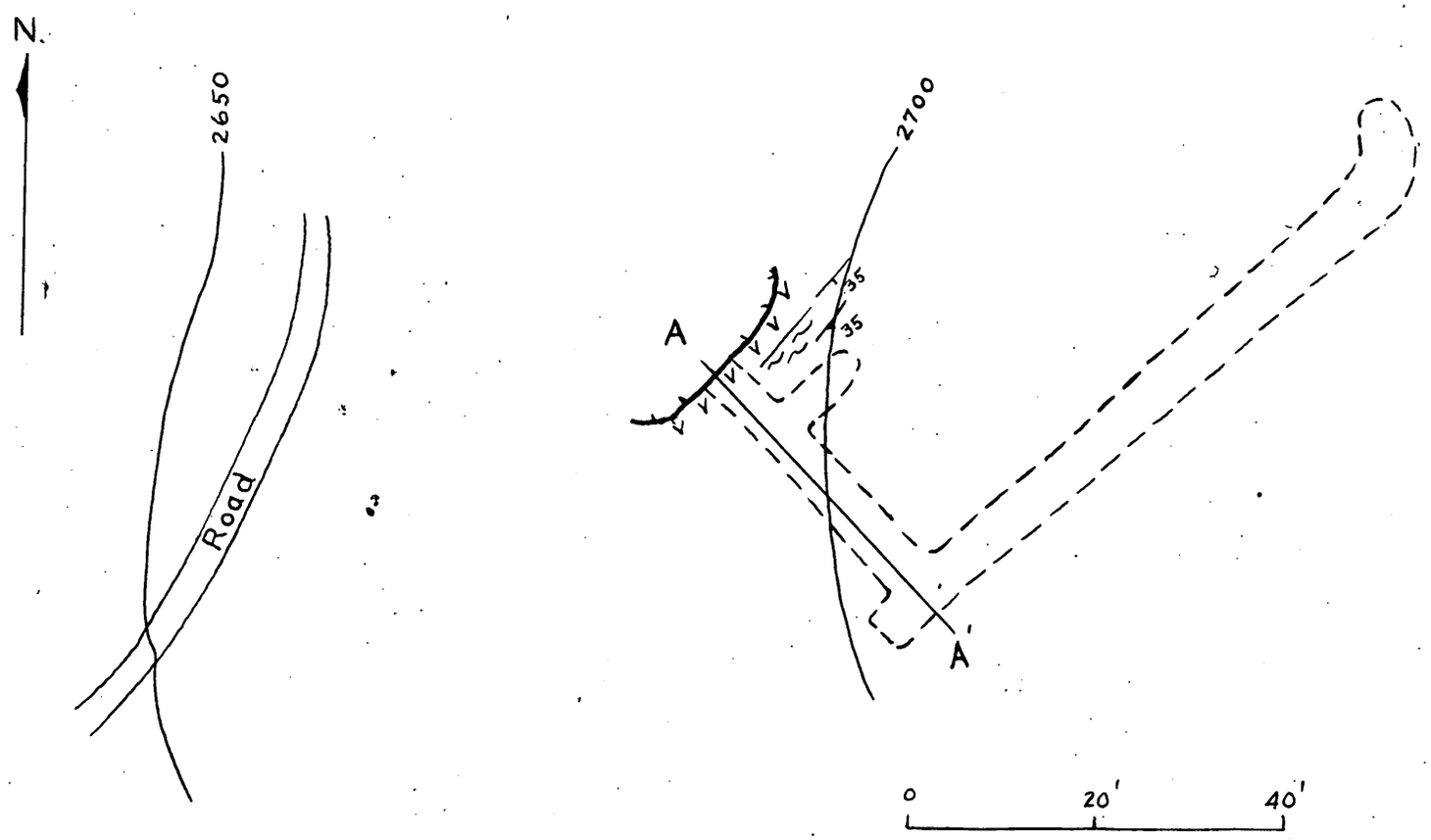
July 18, 1955.



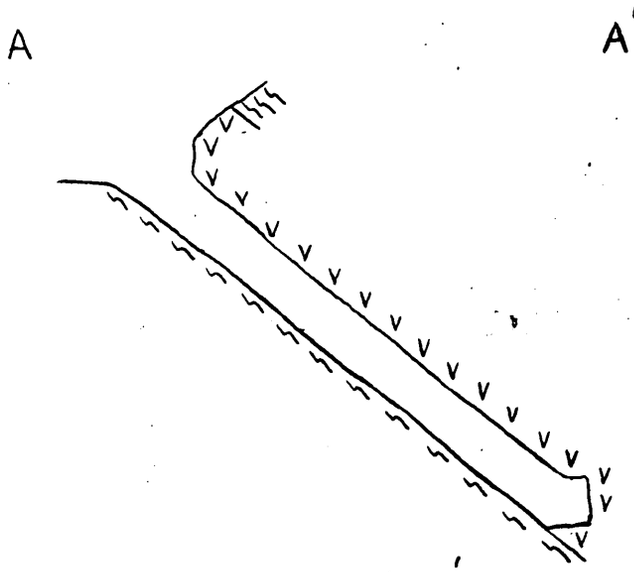
Prospect # 4

LEGEND

- ~ mica schist
- v v pegmatite
- + + alaskite
- strike & dip of contact
- strike & dip of foliation
- —— contact
- ⊤⊤⊤ cut
- - - - outline of underground work



Prospect #5



Section A-A'

SKETCH OF
SPARKS PROSPECT
MITCHELL CO., N.C.

DMEA-3477 (mica)
June 15, 1955

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

RECEIVED
JUL 22 1955

July 20, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports. DMEA-3476, 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.

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

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

Reviewed by
DMEA CRITICAL COMMITTEE

RECEIVED
JUL 22 1955

ENGINEERING AND GEOLOGICAL REPORT

SOL JACOBS MINE

DMEA-3476

Idm-E-740

Mica

The above ground workings consisted of erection of tool house, powder magazine, exploder magazine, blower house and pulling in an electric power line.

Underground workings were a 60-foot shaft 5 feet by seven feet in the clear of timber, equipped with a partition 2 feet by 7 feet for manway, and staggered ladders. On or about the 55-foot level, we drove a drift east from the shaft 27½ feet 5 feet by 7 feet in the clear of timber. Another drift was driven at the 55-foot level, starting from the shaft, going north, and gradually coming around east, a total length of 74 feet.

The country rock was very fine grained and decomposed. The pegmatite that was picked up was decomposed, very narrow and contained very little good mica. Biotite was rare. In general the mica was soft, badly cracked, and stained. The color was light rum.

hold for covering memo - 7-25-6 H.B.

ENGINEERING AND GEOLOGICAL REPORT

SOL JACOBS MINE

DMEA-3476

Km-R-740

Mica

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RECEIVED
JUL 22 1955

ENGINEERING AND GEOLOGICAL REPORT

SOL JACOBS MINE

DMEA-3476

Idm-E-740

Mica

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RECEIVED
JUL 22 1955

Spruce Pine, N. C.
June 16, 1955

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region Vii
P.O. Bldg, Knoxville, Tennessee

Re: DMEA-3477, Idm-E 743 (Mica)
E. K. Sparks Prospects
Mitchell County, N. C.

Dear Mr. Laurence:

Work began on the above project on January 11 and was completed on June 14.

We bulldozed a cut about 20' wide, 300' long and 6' deep, uncovering pegmatite on one side of the trench. We recovered about 200 lbs. block mica from the bulldozing work.

The next stage was approved and we began rehabilitation work on 20' of existing shaft on prospect #5. Toolhouse, powder and exploder magazines were constructed, and after the 20' of rehabilitating was completed, we sank an incline shaft 36 feet deep as directed by the field team. We recovered about one ton of mica from the incline, all of it small pieces found scattered in vein material.

From the bottom of the incline, we drifted a total of 75', all in vein material, and again recovered some scattered mica. The vein material did not change much in the entire drift and the mica did not improve. We found it necessary to pump water daily, which slowed our progress somewhat. From the whole operation, we sold approximately $460.00 worth of mica.

We do not plan to continue work at this project, since the mica is not a high grade and because it is too scattered in the vein.

We wish to thank the field team for their assistance in working the E. K. Sparks project. If further information is necessary, please contact us.

Very truly yours,

E. K. Sparks

E. K. Sparks

P/b

RECEIVED
JUN 20 1955
Survey
Geologic Division
Knoxville, Tenn.

RECEIVED
JUL 22 1955

Spruce Pine, N. C.
June 16, 1955

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region Vii
P.O. Bldg, Knoxville, Tennessee

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From the bottom of the incline, we drifted a total of 75', all in vein material, and again recovered some scattered mica. The vein material did not change much in the entire drift and the mica did not improve. We found it necessary to pump water daily, which slowed our progress somewhat. From the whole operation, we sold approximately $460.00 worth of mica.

We do not plan to continue work at this project, since the mica is not a high grade and because it is too scattered in the vein.

We wish to thank the field team for their assistance in working the E. K. Sparks project. If further information is necessary, please contact us.

Very truly yours,

E. K. Sparks

E. K. Sparks

P/b

RECEIVED
JUN 20 1955

RECEIVED
JUN 20 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

RECEIVED
JUL 22 1955

Spruce Pine, N. C.
June 16, 1955

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region VII
P.O. Bldg, Knoxville, Tennessee

Re: DMEA-3477, Idm-E 743 (Mica)
E. K. Sparks Prospects
Mitchell County, N. C.

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The next stage was approved and we began rehabilitation work on 20' of existing shaft on prospect #5. Toolhouse, powder and exploder magasines were constructed, and after the 20' of rehabilitating was completed, we sank an incline shaft 36 feet deep as directed by the field team. We recovered about one ton of mica from the incline, all of it small pieces found scattered in vein material.

From the bottom of the incline, we drifted a total of 75', all in vein material, and again recovered some scattered mica. The vein material did not change much in the entire drift and the mica did not improve. We found it necessary to pump water daily, which slowed our progress somewhat. From the whole operation, we sold approximately $460.00 worth of mica.

We do not plan to continue work at this project, since the mica is not a high grade and because it is to scattered in the vein.

We wish to thank the field team for their assistance in working the E. K. Sparks project. If further information is necessary, please contact us.

Very truly yours,

E. K. Sparks

E. K. Sparks

P/b

RECEIVED
JUN 20 1955
Knoxville, Tenn.

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JUN 2 0 1955

RECEIVED
JUN 20 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

INTERIM REPORT

RECEIVED
JUN 23 1955

DMEA-3477, Idm-E742 (mica) E. K. SPARKS PROSPECT

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, N. C.

Work has been completed on this contract. Work was conducted at two prospects on the property. At Prospect No. 4 a trench about 300 ft. x 20 ft. x 9 ft. was bulldozed. No further work was done at this location because of the poor quality of the mica. At Prospect No. 5 a toolhouse and two magazines were constructed. An existing incline was rehabilitated and then deepened an additional 36 feet. From the bottom of this incline a total of 75 feet of drifts were driven along the footwall portion of a thick pegmatite; 70 feet to the northeast and 5 feet to the southwest.

About 1000 pounds of fair to poor quality "mine-run" mica was recovered from the work done under the contract.

Date of Examination: June 15, 1955

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

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

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RECEIVED
JUN - 9 1955

INTERIM REPORT

DMEA#3477, Idm-E742 (mica) E. K. SPARKS PROSPECT

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, N. C.

Prospect No. 5. Drifting continues on this contract and now totals 60 feet; 55 feet of which have been driven in a N. 45° E. direction. No significant change in the pegmatite or quantity or quality of mica recovered was noted since that reported in previous interim reports.

Progress and the work completed to date are satisfactory.

Date of Examination: June 2, 1955.

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

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INTERIM REPORT

DMEA-3477, Idm-E742,(mica) E. K. SPARKS PROSPECT

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, N. C.

Prospect No. 5. Drifting continues on this contract and now totals 47 feet; 42 feet of which have been driven in a N. 45° E. direction and 5 feet S. 45° W. No significant change in the pegmatite or quantity nor quality of mica recovered was noted since that report in previous interim reports.

The Operator was advised to continue to drift to the northeast until another visit can be made by the field examiners.

Progress and the work completed to date are satisfactory.

Date of Examination: May 19, 1955.

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

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MAY 18 1955

INTERIM REPORT

DMEA-3477, IdmE-742, E. K. SPARKS Prospect

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, North Carolina

Prospect No. 5. Drifting continues to the northeast on this contract and is now at 30 feet. Material encountered is primarily feldspar with scattered quartz and thin blocks of muscovite mica. Added quartz was observed in the present face and along the northwest wall. Mica recovered from recent work was observed in the storage house, and some of the larger blocks appeared to be of good quality. Sales of processed mica totalling approximately $500.00 have been made to date. Progress on this contract is satisfactory.

Inspected: May 4, 1955.

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

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

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INTERIM REPORT

DMEA-3477, Idm-E742 (mica) E. K. SPARKS PROS.

Operator: E.K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, North Carolina

Prospect No. 5. Drifting is underway on this contract and now totals 15 feet; 10 feet in a N. 45° E. direction and 5 feet S. 45° W. The pegmatite which is being followed by this drifting is in excess of 6 feet thick. The floor of the drifts is along the footwall of the body. A small amount of fair quality mica is being recovered in a zone about 1 foot thick adjacent to this contact.

Drifting will continue in both directions, but concentrating most of the work to the northeast.

Progress is satisfactory.

Date Examined: April 21, 1955.

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

and

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

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

April 20, 1955

Memorandum

To: C. O. Mittendorf, Administrator, DMEA - Washington

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

Subject: Memo to Helen Miller, dated March 24, 1955. Royalty payments.

Please refer to your copy of the memorandum on the subject date transmitting copies of sale vouchers. Through an error two copies of the sale on Idm-E742, DMEA-3477, E. K. Sparks, in the amount of $179.38 were sent your office. A copy of the other sale in the amount of $120.27 which should have been attached to the above, is attached hereto.

Robert A. Laurence

Robert A. Laurence

INTERIM REPORT

DMEA-3477, Idm-E742 (mica) E. K. Sparks Pros.

Operator: E. K. Sparks, Spruce Pine, N. C.

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, N. C.

Prospect No. 5. Incline sinking has been completed at this location and instructions were given for establishing a sump and making a turnoff from about the 36 foot level to the northwest. Material encountered during last sinking includes pegmatite composed of potash feldspar, scattered quartz, garnet and green muscovite mica. Amounts of recent mica recovery is not known.

Inspected: April 4, 1955.

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

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

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INTERIM REPORT

DMEA-3477, Idm-E742, E. K. Sparks Prospect
(mica)

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, N. C.

Incline sinking continues on this contract and new work totals 35 feet. The mine was not working at the time of this visit and the bottom of the incline was filled with water. Material encountered is primarily feldspathic but more quartz was noted in the footwall area near the contact with country rock, a hornblende gneiss. Mica recovery during the last work completed has been limited.

Progress on this contract is satisfactory.

Inpsected: 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

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INTERIM REPORT

DMEA-3477, Idm-E742 (mica) E. K. SPARKS PROSPECT

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge one mile northwest of Spruce Pine, Mitchell County, N. C.

Incline sinking continues at Prospect No. 5 on this contract. 21 feet of new work has been completed, giving a total depth of 41 feet. Material encountered continues to be primarily feldspathic with some mica recovery. No change was noted in the quality of mica obtained during last 11 feet of work and most of it continues to be badly stained. 19 feet of sinking remains to be completed under contract.

The roof areas of the incline had been scaled of all loose rock and stulls had been set, as recommended. Progress on this contract is satisfactory.

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

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

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INTERIM REPORT

DMEA-3477, Idm-E742 (mica) E. K. SPARKS PROSPECT

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: Along the crest of a low ridge one mile northwest of Spruce Pine, Mitchell County, N. C.

Incline sinking at PROSPECT No. 5 on this contract is in progress after completion of the first 20 feet of rehabilitated incline. An advance of 10 feet has been made in pegmatite predominantly feldspathic and containing considerable mica which is badly stained. Mica recovery from all work totals 700 to 800 pounds of "mine-run" block. Sinking will continue to a depth of 40 feet in new ground.

The Operator was advised to scale and barr-down all loose material on the hanging wall and set stalls where necessary. Progress on this contract is satisfactory.

Inspected: Feb. 17, 1955.

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

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

DEFENSE MINERALS EXPLORATION

INTERIM REPORT

DMEA-3477, E. K. SPARKS PROSPECT
Idm-E 742 - mica

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: On the north side of the North Toe River, 1 mile northwest of Spruce Pine, N. C.

Prospect #4

An east-west trending trench about 300' x 20' x 9' deep was bulldozed at this prospect under Stage I of the contract. A pegmatite about 3 feet thick is exposed in the trench. It strikes about E-W and dips 25° to the south. The hanging wall grades into alaskite and the footwall is in conformable contact with mica schist.

About 300 pounds of poor quality mica was recovered from the dozing. It is small, badly cracked and badly mineral-stained. Very little is of strategic quality.

It is recommended that Stage II of the contract on this prospect not be undertaken. The Operator is in agreement.

Prospect #5

Rehabilitation of the existing 20-foot incline at this location has been completed. No new incline has been sunk to date. Operations have been limited the last two weeks due to severe winter weather.

Date of examination: February 3, 1955.

K. H. Teague D. H. Amos

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

z

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 27 1955

INTERIM REPORT

DMEA-3477, E. K. SPARKS PROSPECT
Idm-E 742 (mica)

Operator: E. K. Sparks, Spruce Pine, North Carolina

Location: On the north side of the North Toe River, 1 mile northwest of Spruce Pine, N. C.

Prospect # 4.

Trenching under the contract has been completed at this location. Heavy snowfall prevented detailed examination of the exposed material. The results of this work will be checked during the next visit of members of the Field Team to determine if Stage II of the contract is justified.

Prospect # 5

Work completed at this location consists of construction of a toolhouse, installation of track and partial rehabilitation of the existing incline.

Progress on this project is satisfactory.

Date of examination: January 19, 1955.

K. H. Teague D. H. Amos

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

z

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1955

INTERIM REPORT
(mica)
DMEA-3477, Idm-E742, E. K. Sparks Prospect

Operator: E. K. Sparks, Spruce Pine, N. C.

Location: Along the crest of a low ridge one mile northwest of Spruce Pine, Mitchell County, N. C.

The starting date on this contract is December 29, 1954. Bulldozing is in progress at Prospect No. 4 and an open cut trending N. 60° E. and 120' x 20' x 5' has been completed, exposing pegmatite for a distance of 50 feet along the trend of the cut. The Operator was advised to deepen the cut and extend the length to the southwest to the access road. Pegmatite exposed is composed of feldspar and quartz and some scattered green muscovite mica.

At Prospect No. 5, no work has been completed to date. Plans were being made on the date of this visit to start rehabilitation of the incline. A toolhouse has been constructed and necessary mining equipment has been moved to the site. Progress on this contract is satisfactory.

Examined: January 5, 1955.

L. E. Shirley By: Zra
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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 225, POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

Department of the Interior
Defense Minerals Administration
RECEIVED
DEC 16 1954

December 14, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Signed Contract - DMEA-3477, Idm-E742, E.K. Sparks (mica) North Carolina

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

FILE COPY
Surname:
Anderson
Houk
Talbutt
Selfridge
Johnson

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

DEC - 7 1954

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

Subject: Docket No. DMEA-3477 - Mica
E. K. Sparks
E. K. Sparks Prospects
Mitchell County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval present it to the Operator for 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 November 8, 1954, and from the Bureau of Mines, dated November 22, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (WHS)

Approved:

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

Thor H. Kiilsgaard (WHS)
Member, Geological Survey

Enclosures 10

WCAnderson:ad 12/3/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

DEPARTMENT OF THE INTERIOR
Records Administration
RECEIVED
NOV 23 1954

November 22, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3477 (mica)

Applicant: E. K. Sparks

Name and Location of Property: E. K. Sparks Prospects
Mitchell County, North Carolina

Date of Field Team Report: October 28, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: November 15, 1954

Field Team Recommendation:

1. Approval of an exploration project.

Comments:

1. The pegmatites on Prospects No. 4 and No. 5 have been exposed at a number of points over a strike length of 300 feet each and the mica is nonruby. The proposed three-stage exploration project, with successive stages contingent on successful completion of the preceding stage, is consistent with good engineering practices.

2. Estimated costs are in line with other DMEA projects in this area and total $2,875 on Prospect No. 4 and $7,713 for Prospect No. 5.

Recommendation:

I concur in the field team's recommendation to approve a three-stage exploration project at this mine in the amount of $10,588 on Prospects Nos. 4 and 5.

W. F. Dietrich

W. F. Dietrich

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1954

November 15, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-3477, (mica) E. K. Sparks Prospects, Mitchell Co., N.C.

As requested in your letter of November 5, there is transmitted the original and one copy of a letter from the subject applicant giving the land descriptions as you requested.

Robert A. Laurence
Robert A. Laurence

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 17 1954

Spruce Pine, North Carolina
November 11, 1954

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

Re: DMEA-3477, E. K. Sparks Prospect
Mitchell County, N. C.

Dear Mr. Laurence:

In accordance with your letter of November 8, submitted below are new legal descriptions for Prospects #5 and #4 for above project.

Prospect No. 4:

Beginning on a small birch tree on the bank of the road S 33* W 52' from concrete base 6'x7' and running N 45* E 500' to a stake; thence N 45* W 500' to a stake; thence S 45* W 500' to a stake; thence S 45* E 500' to the beginning.

Prospect No. 5:

Beginning at the center of an incline shaft located 140' SW of a locust gate post and running North 250', thence West 250'; thence South 500'; thence East 500'; thence North 500'; thence West 250' to beginning.

I believe these descriptions will be adequate. If further information is necessary, please contact me.

Very truly yours,

E. K. Sparks

E. K. Sparks

S/b

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1954

November 8, 1954

Mr. E. K. Sparks

Spruce Pine, North Carolina

Re: DMEA-3477 (mica)
E. K. Sparks Prospect
Mitchell County, N. C.

Dear Mr. Sparks:

We are advised by our Washington office that the legal description of the property which includes the Sparks Prospects is inadequate for use in preparing an exploration contract.

The use of the center of the property as a reference point does not definitely establish the location of a tract of land. The property should be referenced to an identifiable landmark, natural or artifical, as the center of a shaft, adit, building, benchmark, etc. In this case, the inclined shaft at Prospect No. 5 might be satisfactory, unless there is a more convenient reference point.

Will you please, at your earliest convenience, submit a description with such a reference point, so that the property may be definitely identified.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

RAL/xm
cc:
Beck
Lynch
Opr. Com.

Files

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
NOV 9 - 1954

November 8, 1954

Re: DMEA-3477
E. K. Sparks
(Prospects #4 & 5)
Mitchell Co., N. C.
$7,713 - Mica

Memorandum

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

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

Subject: Review of field examination report

Two of the five prospects proposed for exploration have sufficient merit for DMEA assistance.

The Field Team has recommended three-stage projects be approved for prospects No. 4 and 5.

Each of these prospects will be explored by a preliminary trenching program. Further work will be done if results are encouraging.

I recommend the three-stage, conditional projects proposed by the Field Team be approved.

E. L. Newcomb

E. L. Newcomb

Docket Copy
Surname:
Hoyt
Selfridge
Mittenhof

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

NOV 5 - 1954

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

Subject: Docket No. DMEA-3477 - Mica
E. K. Sparks
E. K. Sparks Prospects
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the description furnished by the subject applicant of the property that the Field Team, in its report of October 20, 1954, recommends for exploration assistance.

The property should be referenced to a permanent and identifiable landmark, natural or artificial, as the center of a shaft, adit, building, benchmark, etc. The applicant's use of the center of the property as a reference point does not definitely establish the location of a tract of land, which in most cases is a parcel of a property covered by a lease or deed.

The same applies to Docket No. DMEA-3482, where the applicants make reference to oak trees without a tie to an identifiable landmark.

Please advise the applicant to submit land descriptions that contain reference points as outlined above.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Approved:

J. H. Hedges (2/B)
Member, Bureau of Mines

E. L. Newcomb
Member, Geological Survey (2/B)

WCAnderson:gad 11/4/54
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
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 - 1954

October 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team - DMEA - Region VII

Subject: Field Examination Report on DMEA-3477, E. K. Sparks, (mica) Mitchell County, N. C.

Enclosed herewith are 4 copies of the subject examination report, and 6 extra copies of the map.

We agree with the examiners that this deposit merits exploration and recommend approval of a contract as proposed in the report.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
11-5-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 1 - 1954

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT BY FIELD TEAM, REGION VII

ON

DMEA-3477, E. K. Sparks Prospect
(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

October 20, 1954

Reviewed by
DMEA OPERATING COMMITTEE
11-5-54
(date)

...MENT OF THE INTERIOR
...fense Minerals Administration
RECEIVED
NOV 1 - 1954

FIELD EXAMINATION REPORT

DMEA-3477, E. K. Sparks Prospect (mica)

Applicant: E. K. Sparks, Spruce Pine, North Carolina

Two of the five prospects covered by the application appear to have merit for exploration assistance. At Prospects Nos. 4 and 5, exploration assistance is recommended.

The prospects were examined on October 20, 1954. Messrs. Fletcher O. Phillips and S. L. Phillips accompanied the examiners on the inspection which required three hours.

The E. F. Sparks Prospects are along the crest of a low ridge, one mile northwest of Spruce Pine, Mitchell County, North Carolina. They are on the north side of the North Toe River and are accessible at all times by an all weather road.

The applicant appears competent to conduct the proposed project.

No facilities exist on the property. It will be necessary to construct a toolhouse and magazines.

Prospects Nos. 2 and 3 have had a few shallow pits and trenches dug on them. It appears that these openings have been made in coarse alaskite which contains only scrap size mica. No work is recommended.

Prospect No.1 has been worked recently by stripping the pegmatite and driving one short drift on the pegmatite. The stripping encountered old workings of unknown extent. Rock exposed consists of alaskite and pegmatite. The pegmatite is about 4 feet thick and has a fault zone on both the hanging and footwall contacts. It is composed of potash feldspar, quartz, and mica. The mica is very scarce. No work is recommended.

Prospect No. 4. A low-dipping 2-5 foot thick pegmatite in a weathered condition has been exposed over a strike length of about 300 feet by a series of shallow pits and short adits. It trends about east-west, dips at a low angle to the south, and is enclosed conformably by mica schist. The mica observed is hard, clear, free-splitting, and green in color. Only small sizes were seen. Exploration is recommended on this prospect in stages.

Prospect No. 5. Surface work has been done along the pegmatite outcrop over a distance of about 300 feet. At one place a 20-foot incline has been sunk on the pegmatite. This work has exposed a 15-20 foot thick pegmatite which trends N. 40° E. dips 20-30° SE, and is enclosed conformably by mica and hornblende schist. The pegmatite is unweathered and composed

of perthite, plagioclase, quartz, abundant red garnet, and green mica. Zoning is poorly defined, although mica is more abundant adjacent to both the foot and hanging wall contacts. Mica adjacent to the footwall appears to be larger than that against the hanging wall.

The mica is green in color, hard, generally clear, and occurs in medium sizes. It is of strategic grade. Exploration assistance is recommended.

Assistance which is recommended is as follows:

Prospect No. 4 -Stage I.

Cut east-west trending bulldozer trench along pegmatite; trench will be 300 feet long, 20 feet wide, and 6 feet deep.

1333 c.yds. @ $0.375

Stage II

If results from Stage I are satsifactory - sink not more than 75 feet ot test pits, none of which are to exceed 25 feet in depth.

Stage III

If favorable pegmatite is encountered in the deeper test pits, drive not more than 50 feet of drift from them.

Prospect No.5

Dewater, clean out, and timber portal of existing 20-foot incline, deepen incline 40 feet and drive 75 feet of drift on the pegmatite.

Estimated Cost:

Prospect No. 4. STAGE I.

Bulldozer, 50 hrs. @ $10/hr.	$500.00
Stage II	
75 feet of 5' x 5' test pits @ $15/ft.	1,125.00
Stage III	
50 feet of drift @ $25/ft.	1,250.00

Estimated total costs of Stages I,II,III.....$2,875.00

Prospect No. 5.

Toolhouse	$75.00	
Powder Magazine	25.00	
Exploder "	13.00	
Rehabilitate existing ~~30~~ 20-foot incline	300.00	
Sink 40-foot new incline @ $45/ft.	1,800.00	
Drive 75 feet drift @ $35/ft.	2,625.00	
Estimated cost.....		$4,838.00

Estimated cost of Pros. 4 & 5..... $7,713.00

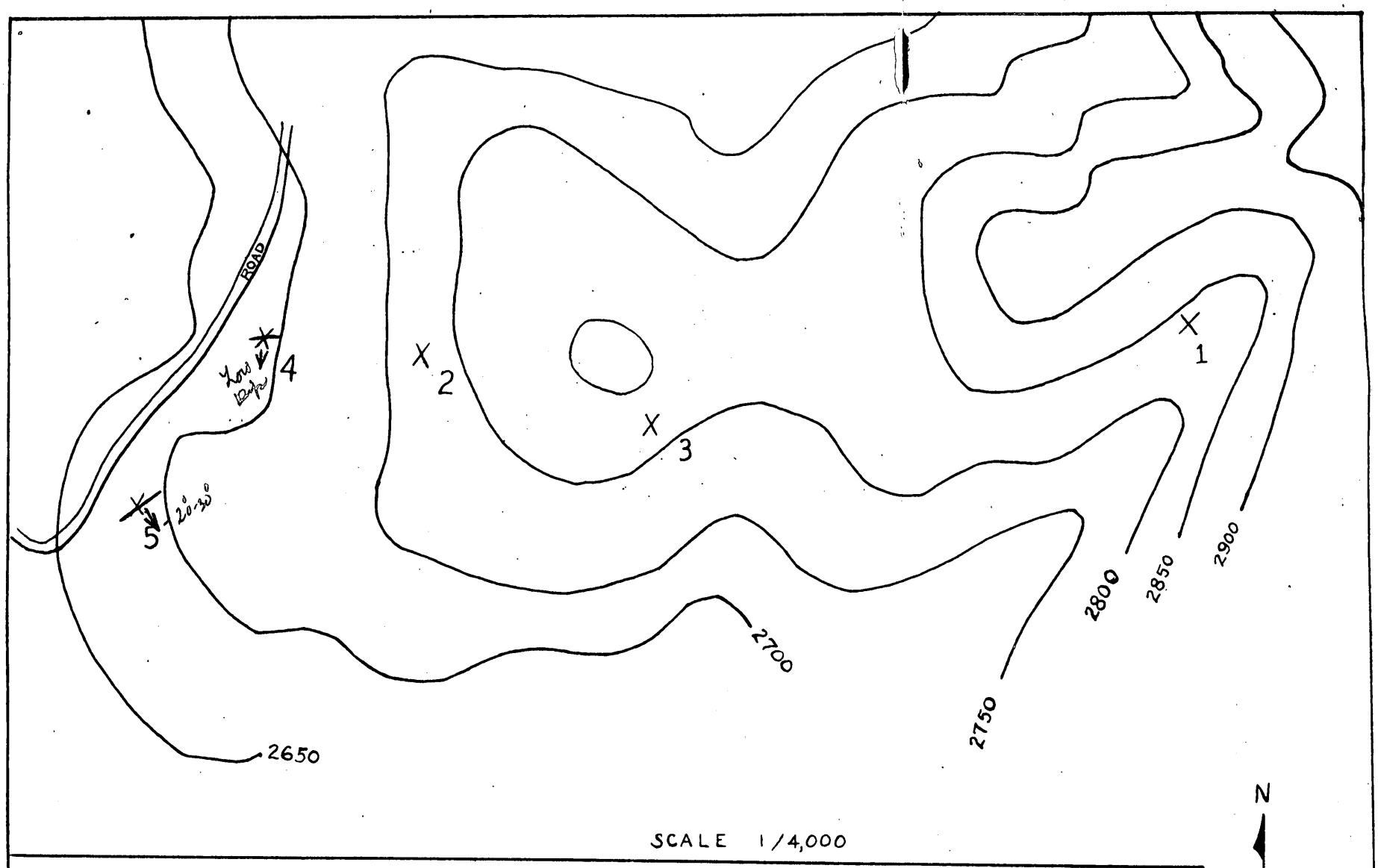
Estimated time required 6 months.

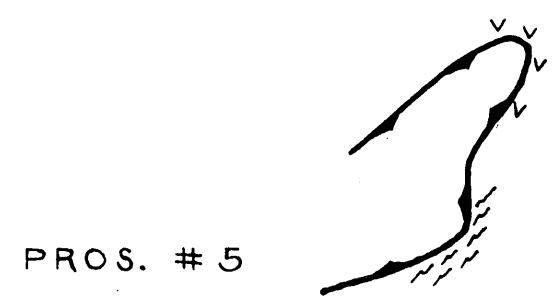
October 20, 1954.

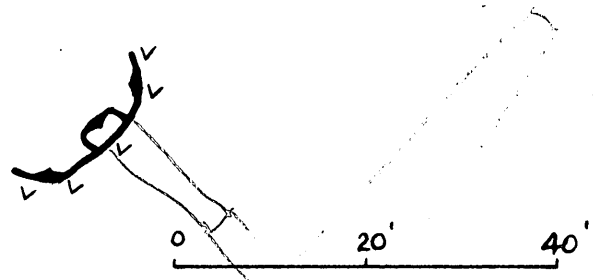
K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

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

Z







SKETCH OF

E. K. SPARKS PROSPECTS

MITCHELL CO., N.C.

DMEA-3477 (mica)

Docket Copy
Surname:
Houk
Hedges
Kiilsgaard
Selfridge
F E Johnson

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

OCT 6 1954

Mr. E. K. Sparks

Spruce Pine, North Carolina

Re: Docket No. DMEA-3477 - Mica
E. K. Sparks Prospects
Mitchell County, North Carolina

Dear Mr. Sparks:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

LOHouk:gad 10/4/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Operating Committee
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk

RCS

Docket Copy
Surname:
Hruby
Selfridge
F. Johnson

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

OCT 6 1954

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

Subject: Docket No. DMEA-3477 - Mica
E. K. Sparks
E. K. Sparks Prospects
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 13, 1954, and from the Bureau of Mines, dated September 28, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey (THK)

Enclosures 4

LGHouk:gad 10/4/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk

P.C.S.

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

Department of the Interior
Bureau of Mines
RECEIVED
SEP 28 1954

September 28, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3477 (mica)

Applicant: E. K. Sparks

Name and Location of Property: E. K. Sparks Prospect
Mitchell County, North Carolina

Date Application Rec'd. by Ceram. & Fert. Mtls. Br.: 9/9/54

Comments:

1. No data available in this office on this prospect.

2. It is recommended the field team examine the five prospects to determine which merit a project, if any. All work on one prospect should be completed before any work is begun on another.

3. Total costs appear to be excessive but the unit costs are in line with other projects in this area.

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.

RECEIVED
SEP 14 1954

September 13, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3477 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant's name and address: E. K. Sparks, Spruce Pine, N. C.
Name of property: E. K. Sparks Prospects
Location of property: Not given in our copy of application.
Summary of applicant's proposal:

40 feet -- shaft rehabilitation
160 hrs. -- bulldozing
135 feet -- shafts
180 feet -- drift
Total cost -- $24,450

Sources of information on applicant's property:

Since we do not know the location of prospects #1-5, we cannot comment on the merit of the proposed work.

Comments:

The Field Team should be instructed to contact the applicant concerning the location of his property.

An examination should be made if data in the Knoxville office files indicates an on-site investigation is warranted.

RECOMMENDATION: This application to be referred to the Field Team for their review and comments.

E. L. Newcomb
E. L. Newcomb

Mr. E. K. Sparks
Spruce Pine
North Carolina

September 9, 1954
Subject: DMEA-3477
Re: Exploration Assistance
E. K. Sparks Prospects

Dear Sir:

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

Your application has been assigned Docket Number DMEA-3477 and referred to the Non-Metallic Minerals Division.

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

Sincerely yours,

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. 3477
Metal or Mineral MICA
Date Received
Estimated Cost $24,450
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: E. K. Sparks
Spruce Pine, N. C.

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

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

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

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

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

(*b*) State any mine name by which the property is known. E. K. Sparks Prospects

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes. Will furnish required 25%.

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated August 31, 1954

E. K. Sparks
(Applicant)

By E K Sparks

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

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

MF-103 (Continuation Sheet)

4. (a) On Prospect #5 there is an existing 40' incline shaft. No previous workings on the other prospects. Applicant had no interest in previous work. Site accessible for examination purposes.

(b) Prospect #5 has produced a small amount of very high grade green mica. Party who began the operation had no funds to continue the work. Other prospects have not been operated.

(c) There is mica bearing Quartz showing in abundance in the locality of all the prospects, and it is believed that non-ruby mica of strategic quality may be recovered.

(d) Prospect #5 is accessible to roads, shipping, etc. Prospects #2, #3, and #4 are accessible. Road access must be bulldozed for about 150 feet to Prospect #1.

(e) Manpower for working all prospects is available, as well as supplies, equipment, etc. Power is within 500' of Prospect #5, can be supplied to others.

5. (b)

Prospect #1

Propose to bulldoze road access about 150', sink shaft 75', then drift with vein 50' each way, totaling 100'.

Prospect #2

Propose to Bulldoze cut 150' long, 10' deep and 10' wide; sink 5 test pits each 20' deep.

Prospect #3

Propose to Bulldoze cut 300' long, 12' wide, 12' deep; then sink 5 test pits at best locations each 20' deep.

Prospect #4

Propose to bulldoze trench 500' long, 12' wide and 15' deep; sink 5 test pits each 20' deep.

Prospect #5

Propose to dewater and rehabilitate 40' of incline shaft, extend incline shaft 60 additional feet, then drift 80' with vein.

6. (d) See additional attached sheet.

6. Estimate of costs:

Prospect #1		
Bulldoze road access 20 Hr. @ $10.00 hr.	$ 200.00	
Sink shaft 75' @ $50.00 ft.	3750.00	
Drift with vein 100' @ $35.00 ft.	3500.00	
		$ 7450.00
Prospect #2		
Bulldoze cut 150'x 10' x 10', 20 hr. @ 10.00 hr.	$ 200.00	
Sink 5 test pits 20' each, 100' @ $30.00 ft.	3000.00	
		3200.00
Prospect #3		
Bulldoze trench 300'x 12' x 12', 40 hrs. @ 10.00 hr. . .	$ 400.00	
Sink 5 test pits 20' each, 100' @ $30.00 ft.	3000.00	
		3400.00
Prospect #4		
Bulldoze trench 500' x 12' x 15', 80 hrs. @ 10.00 hr.. .	$ 800.00	
Sink 5 test pits 20' each, 100' @ $30.00 ft.	3000.00	
		3800.00
Prospect #5		
Dewater and rehabilitate 40' incline shaft @ 20.00 ft. .	$ 800.00	
Extend incline shaft 60' @ $50.00 ft..	3000.00	
Drift 80' with vein @ $35.00 ft.	2800.00	
		6600.00
Total Estimated Cost		$ 24,450.00

E. K. SPARKS

Mr. E. K. (Kin) Sparks was born in Spruce Pine, N. C. and has lived here all his life. He is now sixty years old.

Mr. Sparks has been in mining and working mica all his life, and has worked for himself most of the time. He works for several years for the Bell Mica Company, then began prospecting and mining for himself. When not self employed he sheets and trims mica for others.

He is a reliable man and a responsible citizen, very well liked in the community. For references, he lists the following:

Mr. John Taylor
Taylor Buick Co.
Spruce Pine, N. C.

Mr. John McBee, Attorney
Spruce Pine, N. C.

Mr. Ed Fortner
Fortner Insurance Agency
Spruce Pine, N. C.

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 as follows:1/ Prospect #1 (See attached sheets for Prospects #2 - #5)

Beginning at the center of what is known as the E. K. Sparks Prospect #1 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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/ E. K. Sparks

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 31st day of August, 1954.

G R Sparks [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

MF-203 (continuation sheet)

Legal description of Prospects #2 - #5.

Prospect #2

Beginning at the center of what is known as the E. K. Sparks Prospect #2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #3

Beginning at the center of what is known as the E. K. Sparks Prospect #3 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #4

Beginning at the center of what is known as the E. K. Sparks Prospect #4 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #5

Beginning at the center of what is known as the E. K. Sparks Prospect #5 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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 as follows:1/ Prospect #1 (See attached sheets for Prospects #2 - #5)

Beginning at the center of what is known as the E. K. Sparks Prospect #1 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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/ E. K. Sparks

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 31st day of August, 1954.

(Signed) E. K. Sparks [Seal] Spruce Pine, N. C.

E K Sparks [Seal]

_____ [Seal]

MF-203 (continuation sheet)

Legal description of Prospects #2 - #5.

Prospect #2

Beginning at the center of what is known as the E. K. Sparks Prospect #2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #3

Beginning at the center of what is known as the E. K. Sparks Prospect #3 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #4

Beginning at the center of what is known as the E. K. Sparks Prospect #4 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #5

Beginning at the center of what is known as the E. K. Sparks Prospect #5 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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 as follows:1/ Parcel 2 (See attached sheet for Parcels 2 - 7)

Beginning at the center of that lot known as the E. E. Gentry Parcel 2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' East to the beginning. Said property belonging to E. E. Gentry and located in Mitchell County, N. C.

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/ E. E. Gentry

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 [illegible] day of [illegible], 195[illegible].

(Signed) E. K. Sparks [Seal] [illegible]

E K Sparks [Seal]

_____ [Seal]

MF-203 (continuation sheet)

Legal description of Prospects #2 - #5.

Prospect #2

Beginning at the center of what is known as the E. K. Sparks Prospect #2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #3

Beginning at the center of what is known as the E. K. Sparks Prospect #3 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #4

Beginning at the center of what is known as the E. K. Sparks Prospect #4 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #5

Beginning at the center of what is known as the E. K. Sparks Prospect #5 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

C O P Y

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 as follows:1/ Prospect #1 (See attached sheets for Prospects #2 - #5)

Beginning at the center of what is known as the E. K. Sparks Prospect #1 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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/ E. K. Sparks

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 31st day of August, 1954.

(Signed) E. K. Sparks [Seal] Spruce Pine, N. C.

E K Sparks [Seal]

_____ [Seal]

MF-203 (Continuation Sheet)

Legal description of Prospects #2 - #5

Prospect #2

Beginning at the center of what is known as the E. K. Sparks Prospect #2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #3

Beginning at the center of what is known as the E. K. Sparks Prospect #3 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #4

Beginning at the center of what is known as the E. K. Sparks Prospect #4 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #5

Beginning at the center of what is known as the E. K. Sparks Prospect #5 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

C O P Y

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 as follows:1/ Prospect #1 (See attached sheets for Prospects #2 - #5)

Beginning at the center of what is known as the E. K. Sparks Prospect #1 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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/ E. K. Sparks

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this 21st day of August, 1954.

(Signed) E. K. Sparks [Seal] Spruce Pine, N. C.

E K Sparks [Seal]

_____ [Seal]

MF-203 (Continuation Sheet)

Legal Description of Prospects #2 - #5

Prospect #2

Beginning at the center of what is known as the E. K. Sparks Prospect #2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #3

Beginning at the center of what is known as the E. K. Sparks Prospect #3 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #4

Beginning at the center of what is known as the E. K. Sparks Prospect #4 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #5

Beginning at the center of what is known as the E. K. Sparks Prospect #5 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

C O P Y

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 as follows: 1/ Prospect #1 (See attached sheets for Prospects #2 - #5)

Beginning at the center of what is known as the E. K. Sparks Prospect #1 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

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/ E. K. Sparks

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 _____

_____

_____

_____

Dated this 31st day of August, 1954.

(Signed) E. K. Sparks [Seal] Spruce Pine, N. C.

E K Sparks [Seal]

_____ [Seal]

MF-203 (Continuation Sheet)

Legal description of Prospects #2 - #5

Prospect #2

Beginning at the center of what is known as the E. K. Sparks Prospect #2 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #3

Beginning at the center of what is known as the E. K. Sparks Prospect #3 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #4

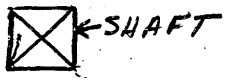
Beginning at the center of what is known as the E. K. Sparks Prospect #4 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

Prospect #5

Beginning at the center of what is known as the E. K. Sparks Prospect #5 and running 500' North, thence 500' West, thence 1000' South, thence 1000' East, thence 1000' North, thence 500' West to the beginning. This property belonging to E. K. Sparks and located in Mitchell County, N. C.

E. K. SPARKS PROSPECTS

PROSPECT #1



PROPOSE TO SINK SHAFT 75' THEN DRIFT 50' EACH WAY.

PROSPECT #2

PROPOSE TO BULLDOZE CUT 150' LONG, 10' DEEP AND 10' WIDE — THEN SINK 5 20' TEST PITS.

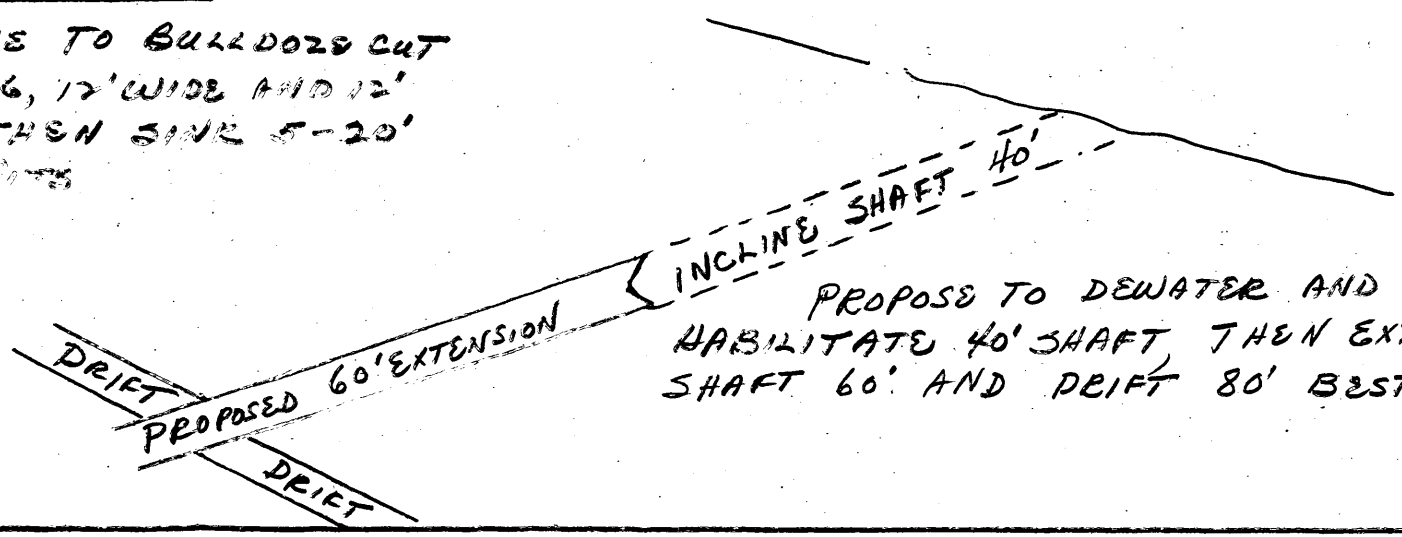
PROSPECT #3

PROPOSE TO BULLDOZE CUT 300' LONG, 12' WIDE AND 12' DEEP — THEN SINK 5-20' TEST PITS

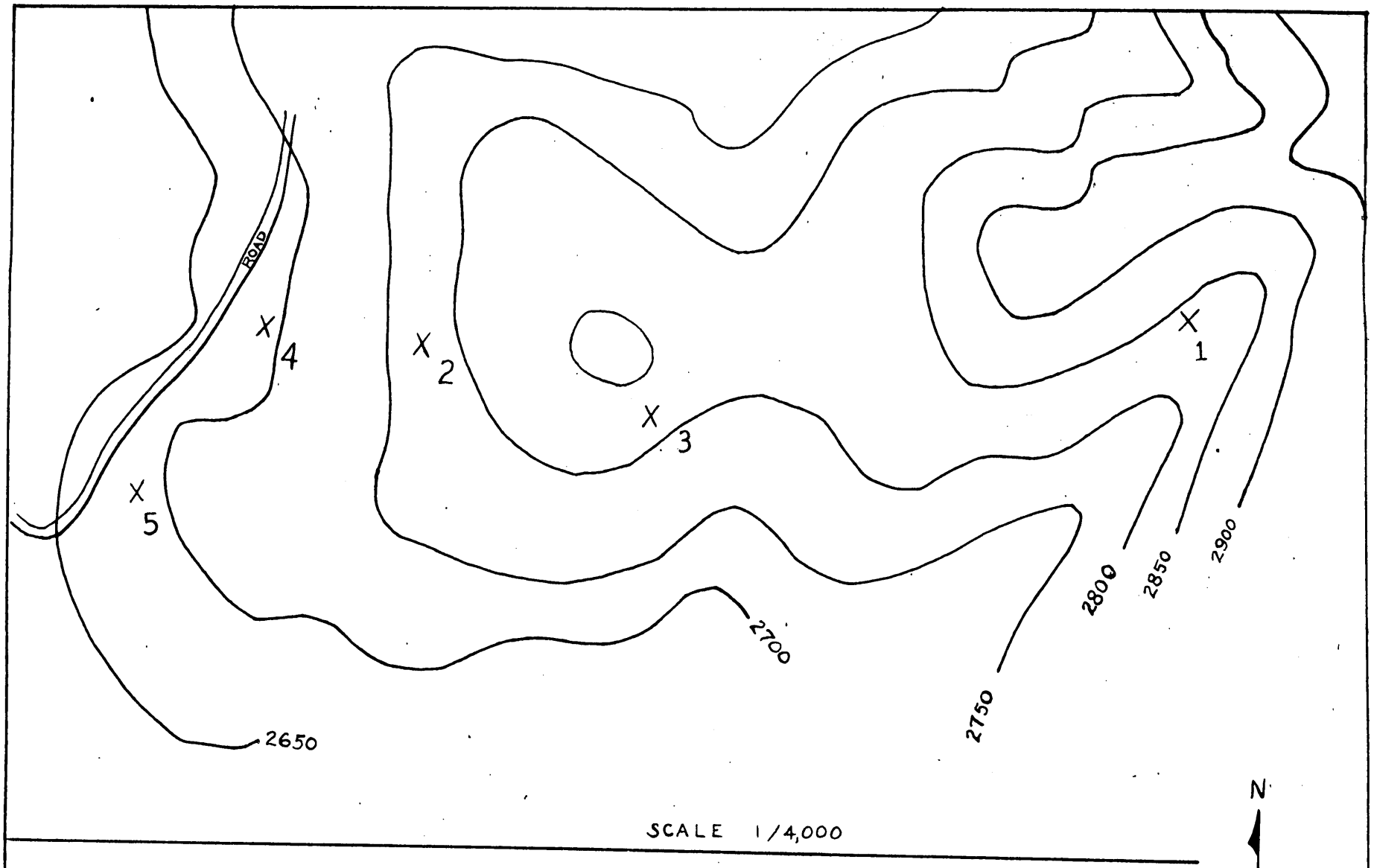
PROSPECT #4

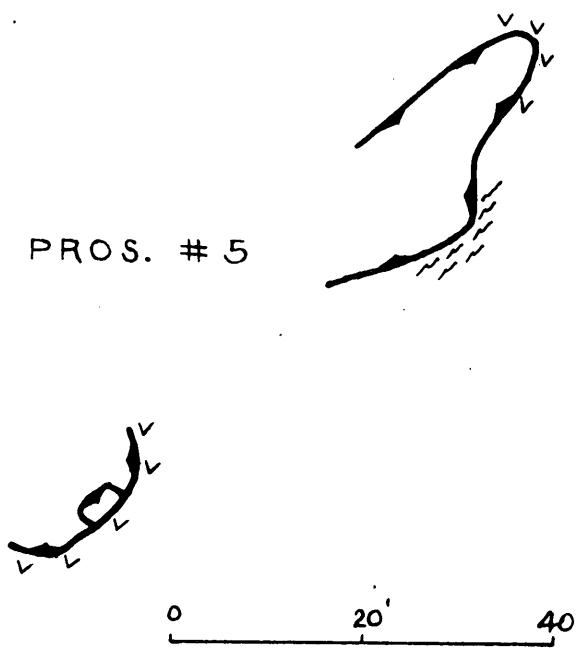
PROPOSE TO BULLDOZE TRENCH 300' LONG, 12' WIDE AND 15' DEEP THEN SINK 5-20' TEST PITS.

PROSPECT #5



PROPOSE TO DEWATER AND RE-HABILITATE 40' SHAFT, THEN EXTEND SHAFT 60' AND DRIFT 80' BEST WAY.





SKETCH OF

E. K. SPARKS PROSPECTS

MITCHELL CO., N.C.

DMEA-3477 (mica)

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

OFFICIAL BUSINESS

Bureau of Mines
P. O. Box 560
Juneau, Alaska

1954 ALASKA

VIA AIR MAIL

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMIN.
WASHINGTON 25, D. C.