DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3554

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration Assistance

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Cys to USBM & USGS

Routing Slip

To:	600	Date	10/28/54
To:	Mr. Hopkins	Date	11/1/54
To:	Open Com	Date	11-9-54
To:	Open Com	Date	12-29-54
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

DOCKET FILE
Surname:

Hopkins
Martin
Dietrich
Newcomb
Houk
Johnson

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

600

DEC 29 1954

Messrs. Clay W. Watkins and
Ben T. Blalock
804 Merrimon Avenue
Asheville, North Carolina

Re: Docket No. DMEA-3554 - Mica
Beryl
Clay W. Watkins and
Ben T. Blalock
Shugart Mine
Yancey County, North Carolina

Gentlemen:

Your application for aid for an exploration project and other data available to us in Washington relating to the above-named property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates to us that the probability of disclosing significant reserves of mica by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ad 12/22/54
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.B.

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

December 23, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 23 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3554 (mica)

Applicant: C. W. Watkins and B. T. Blalock

Name and Location of Property: Shugart Mine
Yancey County, North Carolina

Date of Field Team Report: December 8, 1954

Date Rec'd. by Ceram. & Fert. Mat. Br.: December 14, 1954

Field Team Recommendation:

1. Denial

Comments:

1. Mica is of non-strategic quality.
2. Docket 2849 which was for this mine was denied March 3, 1953.

Recommendation:

I concur in the field team's recommendation to deny this application.

W. F. Dietrich

W. F. Dietrich

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

December 22, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and summary report.

By: James Hopkins

1. Docket No. DMEA-3554 - Mica, Beryl
   Property: Shugart Mine
   Yancey County, North Carolina

   Applicant: C. W. Watkins and B. T. Blalock
   804 Merrimon Avenue
   Asheville, North Carolina

   Application: Form MF-103, date received October 28, 1954.
   Work proposed:
   Bulldozing and cleaning out tunnels and cuts.
   Not definite.
   Underground drifting and/or crosscutting.
   Not definite.
   Total estimated cost $13,080.00

   Application denied. No contract.

2. Comments:

   This is the same deposit as covered in DMEA-2849 (Beryl). The facts on this deposit have not been changed, only the name to conceal identity. No change has been made since the examination of February 11, 1953.

   The mica is green in color, badly mineral stained, cracked and mostly scrap.

   The property has no future possibilities.

   The Field Team recommends denial.

   Recommendations: The Nonmetallic Minerals Division concurs in the field team's recommendation to deny the application. The Geological Survey and the Bureau of Mines are in agreement.

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
DEC 15 1954

December 15, 1954

Re: DMEA-3554
C. W. Watkins &
B. T. Blalock
(Shugart Mine)
Yancey Co., N. C.
$13,080 - Mica-Beryl

Memorandum

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

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

Subject: Concurrence with Field Team recommendation for denial

This property was previously considered for exploration assistance in connection with docket DMEA-2849.

The Field Team has recommended this application be denied. Mica and beryl do not occur in significant amounts on the property.

The geologic facts have not changed, only the name of the mine to conceal its true identity.

I concur with the Field Team recommendation for denial.

E. L. Newcomb
E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 425 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1954

December 8, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Examination Report, DMEA-3554 (mica) Clay Watkins and Ben Blalock. N. C.

Enclosed are four copies of the subject examination report. We agree with the recommendation for denial.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 10 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM EXAMINATION REPORT

ON

DMEA-3554, SHUGART MINE
(mica)
Yancey 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

December 7, 1954

Reviewed by
DMEA OPERATING COMMITTEE
12-13-54
(date)

FIELD EXAMINATION REPORT
ON
DMEA-3554 (mica) SHUGART MINE

Applicants: Clay W. Watkins, 804 Merrimon Avenue, Asheville, N. C. and
Ben T. Blalock, Micaville, N. C.

This is the same deposit as covered in DMEA-2849 (beryl). Because of slumpage of the pit, exposures are poorer now than when previously examined. No minerals (mica or beryl) in worthwhile quantities occur, thus the application should be denied.

The property was inspected on December 3, 1954. The applicants had requested notification 10 days prior to the examination so that the open cut could be cleaned out for inspection. They were notified by letter on November 22, 1954. No work had been done and neither of the applicants were present for the inspection.

The Shugart Mine (Margaret P. Smith property of DMEA-2849) is near the head of Sugar Hollow, 1.8 miles N. 70° E. of Burnsville, Yancey County, N.C. Access is good at all times.

The facts on this deposit have not been changed, only the name to conceal its identity. No change has been made since the examination of February 11, 1953. The mica is green in color, badly mineral stained, cracked, and mostly scrap.

Denial is recommended.

December 7, 1954.

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

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

z

Reviewed by
DMEA OPERATING COMMITTEE
12-13-54
(date)

Hopkins

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

November 9, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 - 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3554, Mica

Applicant: Clay W. Watkins and Ben T. Blalock

Name and Location of Property: Shugart Mine
Yancey County, North Carolina

Date Application Rec'd. by Ceram. & Fert. Mat. Br.: Oct. 28, 1954

Comments:

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

2. Proposed exploration appears to consist of bulldozing and cleaning out the cut and the existing tunnels and conducting underground work.

3. It is difficult to determine the exact steps the applicant plans to follow.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

Docket Copy
Surname:

Hopkins
Houk
Dietrich
Hedgpeth
Newcomb
Selfridge

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

NOV 1 0 1954

Messrs. Clay W. Watkins and
Ben T. Blalock
804 Merrimon Avenue
Asheville, North Carolina

Re: Docket No. DMEA-3554 - Mica-Beryl
Shugart Mine
Yancey County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf (fwj)

Administrator

JHopkins:gad 11/8/54
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

Docket Copy
Surname:

Hopkins
Houk
Dietrich
Newcomb
Selfridge

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

NOV 1 0 1954

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

Subject: Docket No. DMEA-3554 - Mica-Beryl
Clay W. Watkins and Ben T. Blalock
Shugart Mine
Yancey County, North Carolina

Dear Mr. Laurence:

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

Copies of a memorandum from the Geological Survey, dated November 2, 1954, are enclosed for your information.

The proposed work by the Operators is not definitely outlined in the application. Undoubtedly, they plan drifting in the adits after the portals have been cleaned out with a bulldozer. Judging from the amount of air and water pipe required, they are planning on between 200 and 300 feet. However, the examiners can obtain this information at the time a field examination is made.

If the Field Team decides to recommend a contract we will require that the point of beginning in the boundary of the property be referenced to a more definite object than two adjoining mine holes.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

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

Enclosures 2

JHopkins:gad 11/8/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.L.S.

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 3 - 1954

November 2, 1954

Re: DMEA-3554
Clay W. Watkins
Ben T. Blalock
(Shugart Mine)
Yancey Co., N. C.
$13,080
Mica - Beryl

Memorandum

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

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

Subject: Review of application

The applicant's proposal is not clearly presented. I presume he plans to clean out the open cut and the tunnels, then to proceed with further work underground.

We do not have any information in our files on this property.

Inasmuch as the property has a past production record for both mica and beryl, it seems likely that the Knoxville Survey files will contain pertinent data on the Shugart mine.

I recommend this application be referred to the Field Team. A field examination should be made at their convenience if they believe an on-site inspection is warranted.

E. L. Newcomb

E. L. Newcomb

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

October 28, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region VII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA-3554 Clay W. Watkins & Ben T. Blalock

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

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

October 28, 1954
Subject: DMEA-3554
Re: Exploration Assistance
Shugart Mine

Messrs. Clay W. Watkins
& Ben T. Blalock
804 Merrimon Ave
Asheville, N. C.

Gentlemen:

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

Your application has been assigned Docket Number DMEA-3554 and referred to the Non-Metallic Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

October 26, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Application from Clay W. Watkins and Ben T. Blalock, Shugart Mine, Yancey County, N. C. (mica,beryl).

Enclosed are the original and 2 copies of the subject application, received in this office today. We are retaining the third copy for our use.

Robert A. Laurence
Robert A. Laurence

Defense Minerals
OCT 28 1954

October 26, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Application from Clay W. Watkins and Ben T. Blalock, Shugart Mine, Yancey County, N. C. (mica, beryl).

Enclosed are the original and 2 copies of the subject application, received in this office today. We are retaining the third copy for our use.

Robert A. Laurence

RAL/zm

cc:

Beck

Lynch

Files

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 28 1954

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. 3554
Metal or Mineral Mica & Beryl
Date Received
Estimated Cost $13,080
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: Clay W Watkins, 804 Merrimon Ave., Asheville, N.C.

Ben T Blalock, Micaville, N.C.

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

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

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

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 set out in Lease

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

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

LESSEE

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

(*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.

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

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

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

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

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

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

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

(*c*) The work will start within 60 days and be completed within 4 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

[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 Oct 25 th, 1954

Ben T. Bloom
(Applicant)

By Delay W Watkins

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

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
OCT 28 1954

4.A - The S hugart Mine was opened about twenty-five years ago and operated for an unknown time, records of production are not available. It is reported that work ceased because of the hardness of the material found. Three years ago from the date of this application the mine was opened by Connors and Watkins by bulldozing an open cut to a depth of about 50 feet, in the course of this work a shaft was cut through and two tunnels opened both tunnels were standing in hard material. The work done by Connors and Watkins resulted in the production of 15 tons of block mica and about 3 tons of Beryl in massive chrystals, this is reported by Clay W Watkins one of the applicants named herein. After going to the bottom of the shaft and opening the two tunnels Mr Connors refused to go underground and stated that unless he could mine from an open cut he would go no further, the work then ceased. A number of Beryl chrystals are presently in the hands of Mr Watkins one of the applicants named herein. At present the banks have washed in and the tunnel adits closed.

This report of sales of mica & Beryl was a verbal report by Connors to Watkins

B- There is no work being done at present, past production is stated by Mr Watkins as 15 tons of block mica and about 3 tons of Beryl. The purpose of this application is to explore the mine to determine the grade and ore reserves of both mica and Beryl.

C- A Pegmitate Structure of Feldspar, Quartz, Mica and Beryl. The reason for exploring the structure is because of the results obtained through the work done by Connors and Watkins which resulted in producing 15 tons of block mica and about 3 tons of Beryl and for further reason that the work was stopped by Mr Connors shortly after both the mica and Beryl were encountere

D -The property lies about three miles east of Burnsville, N.C. and about three-quarters of a mile off the paved highway with good road to the mine. Material produced will be shipped by truck to Spruce Pine N.C. which is about 14 miles over paved highway.

E- E xperienced miners are available, electric power in the iamediat area (REA), all necessary supplies and equipment available, water near by.

5. A--Mica and Beryl

B- See attached sketch

C- Work will start within thirty days and completed within 4 months.

D- Ben T Blalock is an experienced mine operator having mined in the Spruce Pine, N.C. area most of his life in feldspar and mica, he mined the Deer Park Mine for 19 years for the United Feldspar and Minerals Corp. up to the time the companys plant burned. Mr Blalocks ability to mine and his record can be easily determined

through inquiry in the Spruce Pine,N.C. area. Mr Blalock will be in charge of mining operations.
Mr Watkins has had more than 20 years experience in Geology,minerals and mining,is familiar with mining in the area and has been in charge of the mining operations at the Randolph mine during the last several months.

6.A -Independent Contract.Bulldozing work,cleaning out open cut, drifting banks on a greater angle to prevent further slippage and washing. This work will open the adits of the two tunnels mentioned,it is estimated that bulldozing will take 6 days. The general method in the area is based on time for bulldozing, the rate per hour is from $10.00 per hour to $18.00 per hour depending on the size of the bulldozer used.It is considered that a D-6 Bulldozer at $10.00 per hour will satisfactorly do the necessary work.

B-Labor-	Drill operator	$1.25	per hour
	Helper	1.10 "	"
	Three miners at	1.00 "	" each
	Hoist operator	1.15 "	"
	Foreman	1.50 "	"
	Supervision straight salary $75.00 per week.		

C-Materials and supplies

Three picks
Three shovels
Two twelve pound mauls
Three gads
One wheelbarrow
Two crowbar
Two 24 inch stilson wrench

Gasoline-estimated 40 gallons per day
Oil " 1 gallon per day
Grease " one pound per day
Dynamite - 50 pounds per day
Caps - 15 ten foot caps per day

D- Compressor
H oist
Sump pump
Pipe- 300 feet 2in. for water
200 feet 1 in. for air
200 feet 1/2 in.for water to hammar.
Air Hammar
A ir hose
Water hose
Pressure tank
Steel-2 runs
B its-ten
Mine buckets-two
Pullies -two
Guy lines for derrick

E-There are no buildings on the property.

F- Necessary to erect a building 15 x 15 x 8,for storage of supplies,tools and small equipment,estimated cost $200.00.

G- Operating equipment will be in first class condition,it is anticipated that maintenance and repairs will be minimum,

A nalytical work,on Beryl,estimated		$200.00
Accounting		
Workmans Compensation	estimated	$1000.00
Employers liability Insurance		
Payroll taxes		2%

H - Contingencies-Estimated allowance $5000.00

Estimated Cost

Independent Contract.		
Bulldozing- 48 hours at $10.00 per hour		$ 480.00
Labor		
Drill operator	$1.25 per hr. 640 hrs.	800.00
Helper	1.10 " " " "	704.00
3 miners	1.00 " " each 1920 hrs.	1920.00
Foreman	1.50 " " 640 hrs.	960.00
Supervision	75.00 per week- 16 weeks	1200.00
Hoist operator	1.15 per hr. 640 hrs.	736.00
Equipment		
Air hammar		400.00
Water hose and fittings		15.00
Air hose and fittings		25.00
Pressure tank		20.00
Steel-2 runs-		120.50
Bits-10-		163.00
Mine bucket-2-		100.00
Pullies-2-		35.00
Guy lines		25.00
Sump pump		365.00
Picks-3-		15.00
Shovel-3-		12.00
Two-12 pound mauls-		13.00
One wheelbarrow		24.05
300 feet 2 inch water pipe		135.00
200 feet 1 inch pipe(air)		58.00
200 feet 1/2 inch pipe (water for drill)		38.00
Compressor → 185 per mo		
Hoist		740.00
Building-storeage-		200.00
Supplies		
Gasoline-40 gallons per day		960.00
Oil -1 gallon per day-		30.00
grease -1 pound per day		20.00
Dynamite -50 pounds per day		945.60
Caps - 15 ten foot per day		160.00
Analytical work		300.00
Workmans compensation		1000.00
Payroll tax		136.40
Accounting		
Contingencies-estimated allowances		500.00

12,080.00

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 28 1954

MINING-MINERAL LEASE
SHUGART MINE

This mining lease made and entered into on this 17 day of July 1954 by and between Margaret Smith, unmarried, of Buncomb County N.C. hereinafter designated, Lessor, and Clay W Watkins of Buncomb County, N.C. hereinafter designated Lessee:

Now Therefore, for and in consideration of the sum of one dollar paid by Lessee to Lessor, receipt whereof is hereby acknowledged, and in further consideration of the promises, agreements, terms and stipulations hereinafter set forth, the Lessor hereby bargains, leases and grants to the said Lessee for a period of 12 months from date hereof, with option on the part of the Lessee to renew this Lease for an additional 10 year period upon the terms and conditions as hereinafter provided, all the following real property for mining purposes, located in B urnsville Township, Yancy County, North Carolina, Described as follows.

BEGINNING at a stake near the top of a ridge, said stake being situate due North 467 feet from the center of two adjoining mine holes, said mine holes marking the opening of the old Shugart Mine, thence proceeding due East 467 feet across the hillside to a stake on a course which passes a point situate south 5 degrees 30' east 8 feet form a 6 inch blazed locust and another point south 24 degrees 15' west 40.7 from a blazed 8 inch hickory, thence proceeding due south 934 feet to a stake, thence due west 934 feet across the hollow to a stake on a hill, thence due north 934 feet to a stake, thence due east 467 feet to the point or place of beginning. Containing 20 acres more or less and being a square section in the approximate center of which is situated the entry of the old Shugart Mine. 872356 sq. ft. = 20 +/- acres

WHER EA S the Royalties agreed upon and to be paid by Lessee unto Lessor upon minerals extracted from said lands and premises are as follows.

Feldspar	a royalty of 50 cents per ton
Mica	" " " 10% of gross sales price
Galena	" " " 6% " " " "
Uranium	All rights reserved in Lessor.
Beryl	a royalty of $6.00 per ton
Monazite	" " " 6.00 " "
Columbite	" " 12% of gross sales price
K aolin	" " 75 cents per ton.

2. To determine the weights or sale prices on which said royalty shall be based, the shipping weights or sale tickets shall be used by the parties hereto.

3. The payment of royalty shall be made on the tenth day of each month for the minerals mined and sold from said premises during the preceeding month and said royalty shall be paid to Margaret P Smith.

4. The shall keep said mine clean and carry on said mining operations in a workman-like mannar.

5. The Lessee agrees that the Lessor may come upon said premises to inspect the mine or mines and shall have the right to inspect all books and sale tickets of the Lessee as to any mineral sold from the premises.
6. The Lessee shall begin mining operations, under the terms of this Lease within 365 days from the date hereof.
7. Any failure on the part of the Lessee, his heirs and assigns, to make the royalty payments as herein above provided or any failure to keep the mine in working order or any failure to begin said mining operations within 365 days from the date hereof or any failure at any time to work the mine for a period of 60 days consecutive days, acts of God and unavoidable accidents excepted, shall rended this lease null and void at the option of the Lessor.
8. That the Lessor shall not be liable in any respect for wages, personal injuries or in any mannar to the employees of the Lessee.
9. The Lessee has the right to assign, transfer or sell this lease.

The Lessor agrees that the Lessee shall:

1. Have the right to dig, quarry or in any other mannar search for and obtain asbestos or any other minerals on said land.

2. Have a right to ingress and egress to such minerals on said land.

3. Have a right to construct buildings, erect machinery and equipment on said premises resonably necessary for carrying on said mining operations under the terms of this lease and the right to remove machinery and equipment from said premises provided all royalties have been paid and said mine or mines left in good working order.

4. Have a right to water and such land as is reasonably necessary for dumping waste, building pipe lines and timber of non-commercial value, except poplar and locust, as may be necessary for the timbering of said mine or mines, it being understood that the Lessee shall do as little damage as possible to the premises and timber in carrying on said mining operations.

5. The Lessee shall have the right to cancel this lease by giving thirty days written notice to the Lessor.

I N WITNESS WHEREOF, the Lessor and Lessee hereunto set their hands and seals in duplicate, the day and year first above written.

Margaret P Smith (Seal)
Lessor

Clay W Watkins (Seal)
Lessee.

Acknowledgement by Notary Public attached to originals.

DEPARTMENT OF THE ...
Defense Minera...
REC'
OCT 28 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

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

Certain tracts of land belonging to Margaret P. Smith in Burnsville township, Yancey Co, N.C. being part of the land described in Deed Book 50, page 81, Book 39, page 234 of the land records of Yancey Co. at Burnsville, 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/ Ben J. Blalock
Clay W Watkins

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this _____ day of _____, 195____.

_____ [Seal]

_____ [Seal]

_____ [Seal]

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 Yancey, described as follows:1/ In a Deed

Certain tracts of land belonging Margaret P. Smith in Burnsville Township, Yancey Co. N.C. being part of the land described in Deed book 50, page 81, Book 39, Page 224 of the land records of Yancey Co, Burnsville 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/ Ben J. Blalock
Gelay W. Wilkins

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this _____ day of _____, 195____.

Margaret R. Smith [Seal]

_____ [Seal]

_____ [Seal]

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 Yancey, described as follows:1/ In a Deed

Certain tracts of land belonging to Margaret P. Smith in Burnsville township, Yancey Co. N.C. being part of the land described in Deed book 50 page 81, Book 39 page 224 of the land records of Yancey Co, Burnsville, 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/ Ben J. Blalock
Gelay W. Watkins

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this _____ day of _____, 195____.

Margaret P. Smith [Seal]

_____ [Seal]

_____ [Seal]

DEPARTM
Defense

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

OCT 28

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

Certain tracts of land belonging to Margaret P. Smith, in Burnsville Township, Yancey Co. N.C. being part of the land described in Deed book 50, page 81, Book 39, page 334 of the land records of Yancey Co at Burnsville 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/ Ben J. Blalock
Gelay W. Watkins

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions_____

_____

_____

_____

Dated this _____ day of _____, 195____.

Margaret J. Pannebaker [Seal]

_____ [Seal]

_____ [Seal]

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 Yancey, described as follows:1/ In a Deed

Certain tracts of land belonging to Margaret P. Smith in Burnsville township, Yancey Co, N.C. being part of the land described in Deed book 50, page 81, Book 39-page 224 of the land records of Yancey Co. at Burnsville-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/ Ben J. Blalock
Ely W. Watkins

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions _____

_____

_____

_____

Dated this _____ day of _____, 195____.

Margaret F. Smith [Seal]

_____ [Seal]

_____ [Seal]

DEPARTMENT OF
Defense Mine
RE
OCT 28 1954

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

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

Certain tracts of land belonging to Margaret P Smith in Burnsville township, Yancey Co, N.C. being part of the land described in Deed book 50, page 81, Book 39, page 224, of the land records of Yancey Co at Burnsville 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/ Ben J. Blalock
Delay W Watkins

hereinafter called the "Operator"; and

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

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

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

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

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

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

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

(OVER)

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

4. Changes and added provisions_____

_____

_____

_____

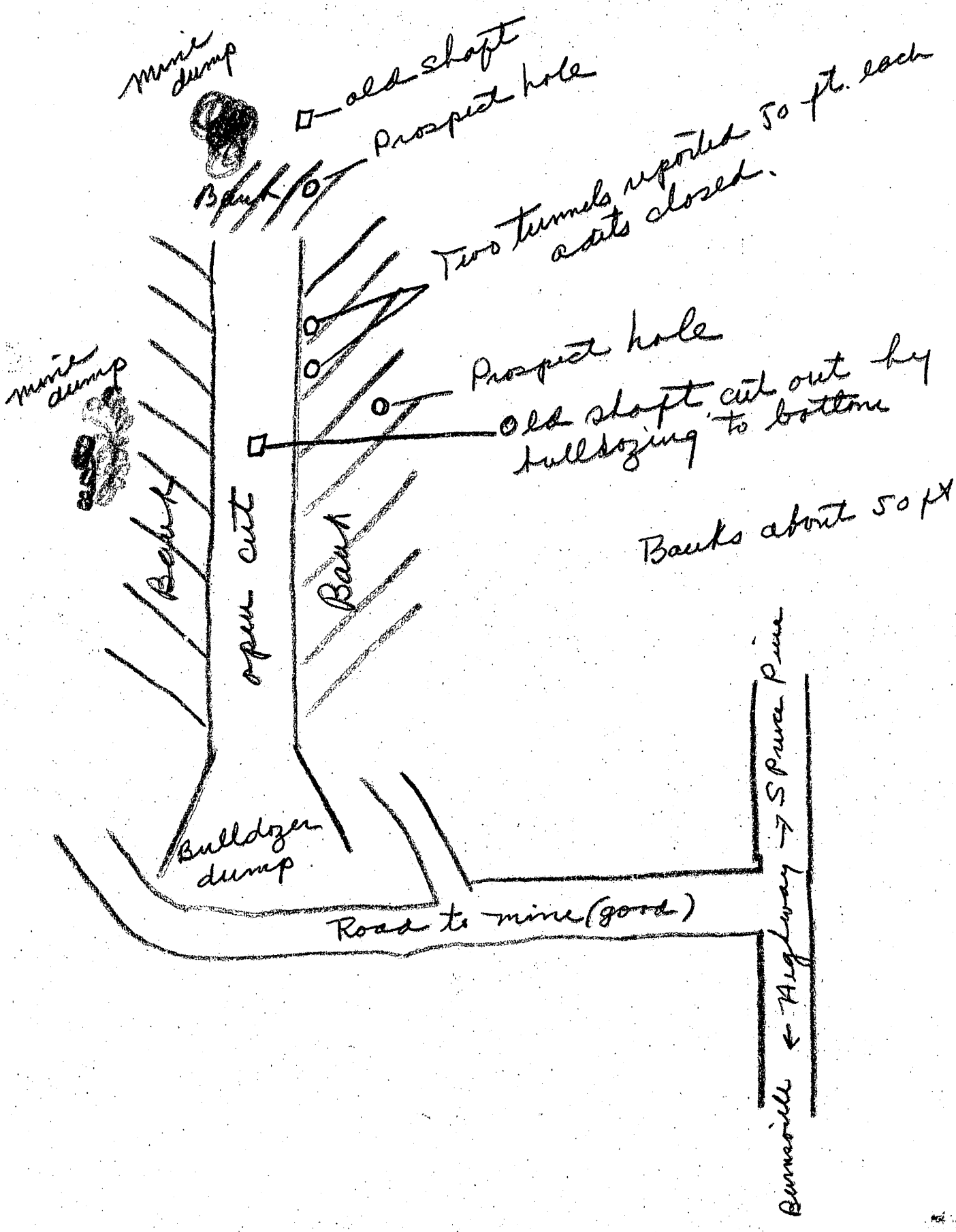
Dated this _____ day of _____, 195____.

Margaret P. Smith [Seal]

_____ [Seal]

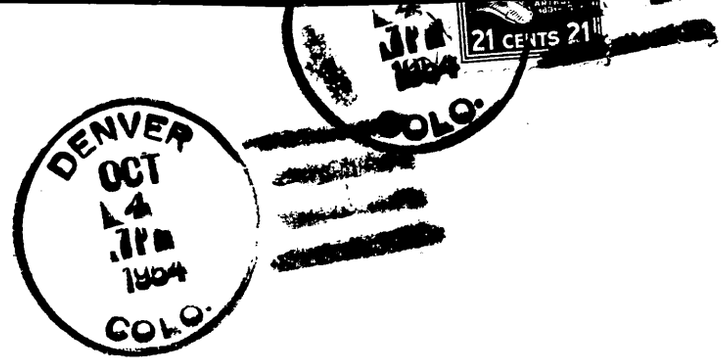
_____ [Seal]

Sketch of Shugart Mine.
near Burnsville, Yancy Co. N.C.



OFFICIAL BUSINESS

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO



DEFENSE MINERALS EXPLORATION ADMINISTRATION
U. S. DEPARTMENT OF INTERIOR
INTERIOR BUILDING
WASHINGTON 25, D. C.