DMA For- 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

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DMA Docket No. 3573

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Exploration Assistance

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To:	600	Date	11/18/54
To:	Hopkins	Date	11/22/54
To:	Open Com	Date	12-8-54
To:	Open Com	Date	1-18-55
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CONTROLLED DOCUMENT

DOCKET FILE
Surname:

Hopkins
Houk
Hedges
Newcomb
Selfridge
Johnson

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

600

JAN 19 1955

Messrs. R. W. Love, Ira Ward and
Fenley Love
Spruce Pine, North Carolina

Re: Docket No. DMEA-3573 - Mica
R. W. Love, Ira Ward and
Fenley Love
Spencer Mine
Stokes 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 1/17/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.L.S.

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

January 11, 1955

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and summary report.

By: James Hopkins

1. Docket No. DMEA-3573 - Mica
Property: Spencer Mine
Stokes County, North Carolina

Applicants: R. W. Love, Ira Ward and Fenley Love
Spruce Pine, North Carolina

Application: Form MF-103 received November 18, 1954.
Work proposed:

100 feet of tunneling and shafting @ $35.00/ft.	$3,500.00
60 feet of drifting @ $35.00/ft.	2,100.00
Total estimated cost	$5,600.00

No contract: Application denied.

2. Comments:

In this general area several rich conformable pipe-like pegmatite sills have produced mica of strategic grade, only one of which has extended to depth.

The openings on the property consist of two opencuts with a 70 foot incline driven from one. One cut produced $9,000.00 worth of mica, while none was obtained from the incline.

Rocks exposed in the cuts and incline consist of gneissic granite, thin bands of mica and hornblende schist in the walls adjacent to the pegmatite, and pegmatite. The pegmatites are composed of quartz, perthite, plagioclase, muscovite and sulphides. Very little mica is exposed.

From a study of all available data it appears that several rich pods of mica-bearing pegmatite occur in the gneissic granite at various "levels." None found to date have any lateral or vertical extent.

Recommendations: The examiners and the field team recommend that the application be denied, because the probabilities for the discovery of a deposit are poor.

The Nonmetallic Minerals Division and the commodity men of the Bureau of Mines and Geological Survey concur in the denial.

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

Defense Minerals Administration
RECEIVED
JAN 14 1955

January 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3573 (mica)

Applicant: Love, Ward, and Fenley

Name and Location of Property: Spencer Mine
Stokes County, North Carolina

Date of Field Team Report: December 22, 1954

Date Rec'd. by Br. of Ceramic & Fertilizer Mtls.: January 7, 1955

Field Team Recommendation:

1. Denial of application.

Comments:

1. Mica which was exposed was of poor quality.
2. Geological factors show that this deposit is unlikely to produce any sizable quantities of strategic mica.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN - 4 1955

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

January 4, 1955

Re: DMEA-3573
Love, Ward & Love
(Spencer Mine)
Stokes Co., N. C.
$5,600 - Mica

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

The deposits in the Spencer mine area are described as limited both on strike length and in continuity downdip.

A 70-foot incline, though entirely in pegmatite, failed to find any mica. Present exposures indicate small amounts of poor quality mica, but most of the ground is barren.

I concur with the Field Team's conclusions and recommend this application be denied. A significant discovery is unlikely to be made by further exploration on the applicant's property.

E. L. Newcomb

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1954

December 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report, DMEA-3573 (mica) Spencer Mine, Love, Ward & Fenley, applicants. Stokes Co., N. C.

Enclosed are four copies of the subject examination report.

We agree with the recommendation for denial of the application.

for Fulton H. Teague
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Reviewed by
DMEA OPERATING COMMITTEE
1-3-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 27 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3573, SPENCER MINE
(mica) Stokes 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 14, 1954

Reviewed by
DMEA OPERATING COMMITTEE
1-3-55
(date)

FIELD EXAMINATION REPORT
On
DMEA- 3573 (mica) SPENCER MINE

Defense Minerals Administration
RECEIVED
DEC 28 1954

Applicants: R. W. Love, Ira Ward, and Fenley Love, Spruce Pine, N. C.

In this general area several rich conformable pipe-like pegmatites sills have produced mica of strategic grade, only one of which has extended to depth. Recently the applicants produced about $9,000 worth of mica from a nearby "shoot," All deposits worked in the general area have had limited strike and dip extent; therefore, the probabilities for the discovery of a deposit are poor. The examiners are of the opinion that the application should be denied.

The property was examined on December 14, 1954. Messrs. R. W. Love and Ira Ward accompanied the examiners on the inspection which required three hours.

The Spencer Mine is 2.2 miles west-southwest of Sandy Ridge, Stokes County, North Carolina. It is about 500 feet southwest of the Hawkins Mine. This is not the Spencer Mine described on P. 169 of U.S.G.S. Proff. Paper 248-C, Part 3. Access is good at all times.

All openings at this place are relatively recent. They consist of two open cuts with a 70-foot incline having been driven from the southeastern cut in a N. 40° W. direction. The southeastern cut is in pegmatite and gneissic granite and is 30 feet long, 20 feet wide and 12 feet deep. Approximately $9,000 worth of mica was produced from this cut and sold in the block. No mica was obtained from the 70-foot incline although it is in pegmatite over its entire length.

The northwest cut is 50 feet long, 20 feet wide, and has a maximum depth of 10 feet. About $700 worth of block mica was obtained in making this cut. Some pegmatite is exposed, but most of the rock is gneisic granite and is barren of mica. It appears that this mica bearing streak is thin and discontinuous. It is from the northwest cut that the applicants propose to sink the incline.

Rock in this general area all trend N. 60° - 80° E. and dip about 20° N. W. Rocks exposed in the cuts and incline consist of gneissic granite, thin bands of mica and hornblende schist in the hanging wall adjacent to the pegmatite, and pegmatite. All exposed rocks are conformable to the foliation of the schist. The pegmatites are composed of quartz, perthite, plagioclase, muscovite and sulphides.

Very little mica is now exposed. That observed in place is of poor quality, although mica of strategic grade has been recovered.

From a study of all available data it appears that several rich pods of mica-bearing pegmatite occur in the gneissic granite at various "levels". None found to date have had lateral or vertical extent. Furthermore, any pods encountered during exploration would be worked out quickly, leaving no reserves. The examiners are of the opinion that a deposit which has produced the quantity of mica as this one and still will not support an operation has little merit for exploration. Therefore, we recommend that the application be denied.

December 14, 1954.

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

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

z

DOCKET FILE
Surname:

Hopkins
Houk
Kiilsgaard
Hedges
Selfridge
Johnson

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

DEC - 8 1954

Messrs. R. W. Love, Ira Ward and
Fenley Love
Spruce Pine, North Carolina

Re: Docket No. DMEA-3573 - Mica
R. W. Love, Ira Ward and
Fenley Love
Spencer Mine
Stokes County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ad 12/3/54
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

DOCKET FILE
Surname:

Hopkins
Houk
Selfridge
GKJohnson

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

600

DEC - 8 1954

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

Subject: Docket No. DMEA-3573 - Mica
R. W. Love, Ira Ward and
Fenley Love
Spencer Mine
Stokes 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 November 26, 1954, and from the Bureau of Mines, dated November 22, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Approved:

J. H. Hedges
Member, Bureau of Mines (24B)

Thor H. Kiilsgaard
Member, Geological Survey (24B)

Enclosures 4

JHopkins: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
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC - 2 1954

November 29, 1954

Memorandum

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

From: Executive Officer, DMEA, Region VII

Subject: Docket No. DMEA-3573, Spencer Mine, Stokes County, North Carolina.

We have been advised that the address of Mr. and Mrs. Spencer who signed the Owner's Consent to Lien on the subject application is Route 2, Walnut Cove, North Carolina.

Robert A. Laurence

Robert A. Laurence

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals U.S. Geological Survey
RECEIVED
NOV 30 1954

November 26, 1954

Re: DMEA-3573
Love & Ward
(Spencer Mine)
Stokes Co., N. C.
$5,600 - Mica

Memorandum

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

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

Subject: Review of application

The proposed work involves driving a 100 foot tunnel and then 60 feet of crosscutting and/or drifting.

There is very little data in the application, but it seems reasonable to assume the project is aimed at testing the pegmatite beneath the bottom of the old Spencer shaft.

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

Although this application is very inadequate, there is nothing to be gained by writing the applicant for more information.

I suggest the proposal be reviewed in the field and an examination be made if they believe it is justified.

E. L. Newcomb

E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 FEC BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1954

November 24, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville

Subject: DMEA-3573 (mica) Love, Ward & Love. Spencer Mine, Stokes County, N. C.

Transmitted are the original and two copies of supplemental data and new Owner's Consent to Lien on the subject application. Please refer to our memo of November 16, 1954.

Robert A. Laurence

Robert A. Laurence

November 24, 1954

Mr. Warren H. Pritchard

Spruce Pine, North Carolina

Re: DMEA-3573, Spencer Mine
Stokes County, N. C.

Dear Mr. Pritchard:

The supplemental data and the new Owner's Consent to Lien on the subject application were received today, and are being sent to our Washington office.

Please send us the mailing address of Mr. & Mrs. Spencer, the owners of the land on which the work is to be done.

We are returning one copy of the Owner's Consent to Lien which should have been retained by Mr. Spencer.

Very truly yours,

Robert A. Lawrence
EXECUTIVE OFFICER
DMEA REGION VII

WAR/mm

Operating Committee

SUPPLEMENTARY APPLICATION

Re: DMEA #3573 R. W. Love, Ira Ward &
Spencer Mine Fenley Love, Spruce Pine,
N. C.

Department of the Interior
Defense Minerals Administration
RECEIVED
NOV 26 1954

3(a) BEGINNING at the lower side of the old cut 140 feet southeast of Coon Creek and running a northeasterly direction approximately 450 feet to the McKinney line; thence a northerly direction with McKinney's line about 1000 feet to the top of the ridge; thence a westerly direction about 500 feet to Spencer's spring; thence following the spring branch a southwesterly course 1000 feet to a stake in said branch; thence a southeasterly direction about 1000 feet to the BEGINNING.

6. Estimate of Costs: (Estimated on 3 months for job to be completed)

(a) Labor:

1 drill runner @ $1.50 per hr. 40 hrs. weekly for 12 weeks	$720.00
4 laborers-two muckers, one hoistman and dumper $1 hr. 40 hrs. wkly 12 weeks	1920.00
Tool House	200.00
Bull Dozing	300.00
Rent on Compressor, hoist, drill, etc	750.00
Pump	400.00
Explosives & steel	500.00
Gasoline and supplies	400.00
Repairs	500.00
Contingencies	600.00
TOTAL	$6290.00

PLEMENTARY APPLICATION

Re: DMEA #3573 R. W. Love, Ira Ward &
Spencer Mine Fenley Love, Spruce Pine,
N. C.

3(a) BEGINNING at the lower side of the old cut 140 feet southeast of Coon Creek and running a northeasterly direction approximately 450 feet to the McKinney line; thence a northerly direction with McKinney's line about 1000 feet to the top of the ridge; thence a westerly direction about 500 feet to Spencer's spring; thence following the spring branch a southwesterly course 1000 feet to a stake in said branch; thence a southeasterly direction about 1000 feet to the BEGINNING.

6. Estimate of Costs: (Estimated on 3 months for job to be completed)

(a) Labor:

1 drill runner @ $1.50 per Hr. 40 hrs. weekly for 12 weeks	$720.00
4 laborers-two muckers, one hoistman and dumper $1 hr. 40 hrs. wkly 12 weeks	1920.00
Tool House	280.00
Bull Dozing	300.00
Rent on Compresser, hoist, drill, etc	750.00
Pump	400.00
Explosives & steel	500.00
Gasoline and supplies	400.00
Repairs	500.00
Contingencies	600.00
TOTAL	$6290.00

SUPPLEMENTARY APPLICATION

Re: DMRA #3573 R. W. Love, Ira Ward &
Spencer Mine Fenley Love, Spruce Pine,
N. C.

3(a) BEGINNING at the lower side of the old cut 140 feet southeast of Coon Creek and running a northeasterly direction approximately 450 feet to the McKinney line; thence a northerly direction with McKinney's line about 1000 feet to the top of the ridge; thence a westerly direction about 500 feet to Spencer's spring; thence following the spring branch a southwesterly course 1000 feet to a stake in said branch; thence a southeasterly direction about 1000 feet to the BEGINNING.

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Tool House	280.00
Bull Dozing	300.00
Rent on Compressor, hoist, drill, etc	750.00
Pump	400.00
Explosives & steel	500.00
Gasoline and supplies	400.00
Repairs	500.00
Contingencies	600.00
TOTAL	$6290.00

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 Stokes, described as follows:1/

BEGINNING at the lower side of the old out 140 feet southeast of Coon Creek and running a northeasterly direction approximately 450 feet to the McKinney line; thence a northerly direction with McKinney's line about 1000 feet to the top of the ridge; thence a westerly direction about 500 feet to Spencer's spring; thence following the spring branch a SW course 1000 ft. to a stake in branch; thence SE direction about 1000 feet to the BEGINNING

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ R. W. Love, Ira Ward & Fenley Love

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 22nd day of Nov., 195 4.

W T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines
Minerals Administration
RECEIVED
OCT 26 1954

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

BEGINNING at the lower side of the old cut 140 feet southeast of Coon Creek and running a northeasterly direction approximately 450 feet to the McKinney line; thence a northerly direction with McKinney's line about 1000 feet to the top of the ridge; thence a westerly direction about 500 feet to Spencer's spring; thence following the spring branch a SW course 1000 ft. to a stake in branch; thence SE direction about 1000 feet to the BEGINNING

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ R. W. Love, Ira Ward & Farley Love

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 22 day of Nov., 1954.

W T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
OCT 26 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 Stokes, described as follows:1/

BEGINNING at the lower side of the old cut 140 feet southeast of Coon Creek and running a northeasterly direction approximately 450 feet to the McKinney line; thence a northerly direction with McKinney's line about 1000 feet to the top of the ridge; thence a westerly direction about 500 feet to Spencer's spring; thence following the spring branch a SW course 1000 ft. to a stake in branch; thence SE direction about 1000 feet to the beginning

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ R. U. Love, Ira Ward & Penley Love

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 22nd day of Nov., 1954.

W T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

DEPARTMENT OF THE INTERIOR
Lease Minerals Administration
RECEIVED
MAR 26 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 [illegible], County of [illegible], described as follows:1/

[illegible]

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/ [illegible]

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 22 day of Nov., 195 4.

N T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
OCT 26 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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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/_____

_____

_____

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:

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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)

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4. Changes and added provisions _____

_____

_____

_____

Dated this 22 day of Nov, 195 4.

W T Spencer [Seal]

Hartie Spencer X [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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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/_____

_____

_____

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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 22nd day of Nov., 195 4.

W T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

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

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-3573 (mica)

Applicant: R. W. and Fenley Love, and Ira Ward

Name and Location of Property: Spencer Mine
Stokes County, North Carolina

Date Application Rec'd. by Ceramic & Fertilizer Mtls. Br.: 11/18/54

Comments:

1. Proposed exploration consists of a 100-foot adit and 60-foot drift.

2. Expenditures are estimated to total $5,600.

3. It is difficult to determine from the application if the project is justified and if the above plan is the best method for exploring this mine.

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

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

November 18, 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-3573 R. W. & Fenley Love and Ira Ward

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

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

November 18, 1954
Subject: DMEA-3573
Re: Exploration Assistance
Spencer Mine

Messrs. R. W. & Fenley Love
& Ira Ward
Spruce Pine
North Carolina

Gentlemen:

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

Your application has been assigned Docket Number DMEA-3573 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 1025 CEDQ.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

November 16, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, Region VII - DMEA

Subject: Application : R.W. Love, Ira Ward & Fenley Love (mica)
Spencer Mine, StokesCounty, N. C.

Transmitted are three copies of the subject application together with a copy of their lease, a sketch of the property and seven copies of Owner's Consent to Lien on the old form.

We have written Mr. Warren B. Pritchard, the applicant's attorney for additional information to complete the application, copies of our letter enclosed.

One copy of the application has been retained for our files.

Wm. A. Beck.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

November 16, 1954

Mr. Warren H. Pritchard
Attorney at Law
Spruce Pine, N. C.

Dear Mr. Pritchard:

This will acknowledge receipt of application for aid in an exploration project by R.W. Love, Ira Ward and Fenley Love, of Spruce Pine, North Carolina. It has been sent to our Washington office for processing.

Before action will be taken on the application there are several things that will be required. 1. Item 6 of the application form was not answered in full. It is required that parts (a) through (h) be answered. The total of these will give the estimated cost of the project. 2. The description of the property as given in the lease, Owners Consent to Lien, and the application form is not acceptable. This should be by metes and bounds and the property should be referenced to a permanent and identifiable landmark, natural or artificial, as the center of a shaft, adit, building, benchmark, etc. 3. The Owner's Consent to Lien was signed on an obsolete form. This form was revised on July 1, 1954 and the new form is required. There are enclosed 7 copies of this form. Please have these filled out and signed by Mr. and Mrs. Spencer. It would be appreciated if you will have the Spencers put their address after their names. One copy of this form is to be given to them and the other 6 sent to this office.

Upon receipt of the above, we will send it to Washington and they will act on the application.

Very truly yours,

Wm. A. Beck, Acting

EXECUTIVE OFFICER
DMEA REGION VII

WAB/sm
Opr. Com.-2
Beck
Lynch
Files

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 18 1954

November 16, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, Region VII - DMEA

Subject: Application : R.W. Love, Ira Ward & Fenley Love (mica)
Spencer Mine, StokesCounty, N. C.

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We have written Mr. Warren B. Pritchard, the applicant's attorney for additional information to complete the application, copies of our letter enclosed.

One copy of the application has been retained for our files.

Wm. A. Beck.

WAB/am
cc:
Beck
Lynch
Files
Opr. Com.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

November 16, 1954

Mr. Warren H. Pritchard
Attorney at Law
Spruce Pine, N. C.

Dear Mr. Pritchard:

This will acknowledge receipt of application for aid in an exploration project by R.W. Love, Ira Ward and Fenley Love, of Spruce Pine, North Carolina. It has been sent to our Washington office for processing.

Before action will be taken on the application there are several things that will be required. 1. Item 6 of the application form was not answered in full. It is required that parts (a) through (h) be answered. The total of these will give the estimated cost of the project. 2. The description of the property as given in the lease, Owners Consent to Lien, and the application form is not acceptable. This should be by metes and bounds and the property should be referenced to a permanent and identifiable landmark, natural or artificial, as the center of a shaft, adit, building, benchmark, etc. 3. The Owner's Consent to Lien was signed on an obsolete form. This form was revised on July 1, 1954 and the new form is required. There are enclosed 7 copies of this form. Please have these filled out and signed by Mr. and Mrs. Spencer. It would be appreciated if you will have the Spencers put their address after their names. One copy of this form is to be given to them and the other 6 sent to this office.

Upon receipt of the above, we will send it to Washington and they will act on the application.

Very truly yours,

Wm. A. Beck, Acting

EXECUTIVE OFFICER
DMA - REGION VII

WAB/mm
Cpr. Com.-2
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.

Def. Minerals Administration
NOV 18 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. 3573
Metal or Mineral MICA
Date Received
Estimated Cost $5,600
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: R. W. Love, Ira Ward and Fenley Love, Spruce Pine, North Carolina

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract The property known as the old Spencer Mine, adjoining the Hawkins Mine Property and including the present Spencer Mines and extending for approximately 10 acres around said mines principally in a westerly direction from the present old Spencer Mine holes.

(*b*) State any mine name by which the property is known. Spencer 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. Attached hereto.

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

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

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

(*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. Vein-See attached sketch.

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

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

16—66551-1

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 attached sketch

(*c*) The work will start within 30 days and be completed within 6 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. Almost lifetime

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.). See attached sheet.

(*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 [x] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated October 21, 1954

R. W. Love
(Applicant)

By for R. W. Love, Ira Ward and Fenley Love
Spruce Pine, North Carolina

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
Defense Minerals Administration
RECEIVED
NOV 18 1954

4(a) There has been a shaft sunk about 60 feet at the old Spencer Mine and approximately $6,000 worth of mica sold from this.
(b) Considerable amount of mica has been taken from Spencer Mine.
(d) This mine is located only about ¼ of a mile from the old Hawkins Mine in Stokes County, North Carolina. It is near Sandy Ridge and off of Highway #704. A road leads to the mine.

6. Work that we desire to do and cost of same:
Desire to run a tunnel approximately 100 feet and then cross cut or drift 30 feet on each side:

100 feet tunneling or shafting @ $35----------	$3500.00
60 feet of drifting @ $35.00----------	2100.00
TOTAL----	$5600.00

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

Deed

State of North Carolina
Stokes County
This indenture made this 1st day of June, 1954, between W. T. Spencer and wife Hartie Spencer of Stokes County, and State of North Carolina, as parties of the first part, and known as Lessors, and R. W. Love, Ira Ward, and Fenley Love of Mitchell County and State of North Carolina, of the second part and known as Lessees;
Witnesseth That the parties of the first part, in consideration of the agreements hereinafter contained, on the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part and his heirs and assigns, for the period of 5 years from the date of this agreement the following described real property, for mining purposes, in the County of Stokes, State of North Carolina to wit:

The property known as the old Spencer Mine, adjoining the Hawkins Mine Property and including the present Spencer Mines and extending for approximately 10 acres around said mines principally in a Westerly direction from the present old Spencer Mine holes. Joining Jonah C. Hawkins property on the South side.

To have and to hold the said lands to them, for mining purposes, the said R. W. Love, Ira Ward, and Finley Love, and their heirs and assigns for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals of fossils, and particularly mica and to conduct the same to any extent the said party of the second part may desire. And it is hereby agreed between the parties to this agreement that the party of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by party of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said party of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted). And the party of the second part are to have right of way of ingress and egress to said mines. The said party of the second part hereby agreed to pay to the said parties of the first part, or their heirs or assigns a rental or royalty of 1/8th selling price on mica taken and sold from said mines for the use of the said lands for the aforesaid period of 5 years only; payable as follows; _____ Payable on computation of selling bills on the tenth of each month covering sales, during the previous month_____Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value_____.

The Term of this lease shall not be extended except with the option of the Lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The Lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The Lessee is not to assign this lease without license of the lessors.
But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within 90 days from the date of this instrument, this lease may be terminated by the lessee, at any time thereafter, on 30 days notice to the lessor. The Lessee agree that during continuance of this lease work in said mines shall not cease longer than 60 days at any one time, unavoidable accidents excepted.
Witness our hands and seals the day and year first above written.

R. W. Love (SEAL)
Ira Ward (SEAL)
Fenley Love (SEAL)
W. T. Spencer (SEAL)
Hartie Spencer (SEAL)

North Carolina, Stokes County
I, , do certify that R. W. Love, Ira Ward, Fenley Love and W. T. Spencer and Hartie Spencer, his wife, personally appeared before me this day, and acknowledged the execution of the annexed Mining Lease.
This 2nd day of June, 1954.

Edith T. Dodson, Notary Public
(LS) My com. exp. 10-81955

North Carolina, Stokes County
The foregoing certificate of Edith T. Dodson, N. P. of Stokes County is adjudged to be correct and sufficient. Let the instrument with the certificate be registered.
Witness my hand and official seal, this 5th day of Aug. 1954.

Eugenia W. Redman, Asst.
Clerk Superior Court

Filed for registration 2 o'clock P.M., Aug. 5, 1954, and registered in Office Register of Deeds Stokes County, N.C. in Book 124, page 43.

R. A. Smith, Register of Deeds

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 18 1954

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

The property known as the old Spencer Mine adjoining the Hawkins Mine Property and including the present Spencer Mines and extending for approximately 10 acres around said mines principally in a westerly direction from the present old Spencer Mine holes and adjoining the Jonah C. Hawkins property on the south side.

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/ R. W. Love, Ira Ward and Fenley Love

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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 October, 1954.

W T Spencer [Seal]

Hartie Spencer X [Seal]

[Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

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

The property known as the old Spencer Mine adjoining the Hawkins Mine Property and including the present Spencer Mines and extending for approximately 10 acres around said mines principally in a westerly direction from the present old Spencer Mine holes and adjoining the Jonah C. Hawkins property on the south side.

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/ R. W. Love, Ira Ward and Fenley Love

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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 October, 1954.

W T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

RECEIVED
NOV 18 1954

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

The property known as the old Spencer Mine adjoining the Hawkins Mine Property and including the present Spencer Mines and extending for approximately 10 acres around said mines principally in a westerly direction from the present old Spencer Mine holes and adjoining the Jonah C. Hawkins property on the south side.

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/ R. W. Love, Ira Ward and Penley Love

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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 October, 1954.

W T Spencer [Seal]

Hartie Spencer X [Seal]

[Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

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 Stokes, described as follows:1/

Lease Minerals
NOV 18 1954

The property known as the old Spencer Mine adjoining the Pauline Mine property and including the present Spencer Mines and extending for approximately 20 acres around said Mines principally in a westerly direction from the present old Spencer Mine holes and adjoining the South E. Pauline property on the north side.

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/ R. L. Love, Ira Ward and Penley Love

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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 October, 1954.

W. T. Spencer [Seal]

Hartie Spencer X [Seal]

[Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

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 Cleveland, described as follows:1/

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 18 1954

[illegible]

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/ [illegible]

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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___.

W L Spencer [Seal]
Hartie Spencer X [Seal]
_____ [Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Defense Minerals Administ.
RECEIVED
NOV 18 1954

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

_____

_____

_____

_____

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/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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___.

W T Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
NOV 18 1954

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

_____

_____

_____

_____

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/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) 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.

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__.

W F Spencer [Seal]

Hartie Spencer X [Seal]

_____ [Seal]

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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(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 of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

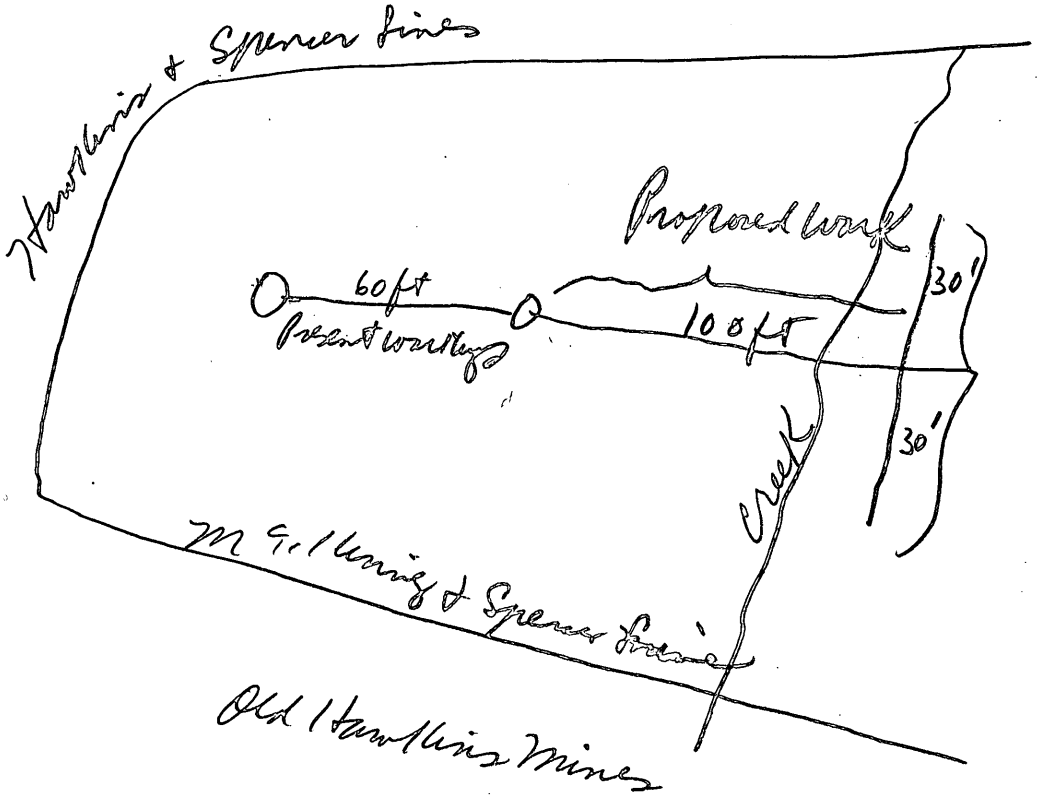
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.


Hawkins & Spencer lines
Proposed work
60 ft
Present workings
100 ft
30'
30'
Creek
M. G. Hunting & Spencer lines
Old Hawkins Mines

OFFICIAL BUSINESS

420 CUSTOM HOUSE
555 BATTERY STREET
SAN FRANCISCO 11, CALIF.

Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.