DMEA 3599

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	12/8/54
2	CONTRACT	DATE	3/3/55
3	TERMINATION AGREEMENT	DATE	4-26-55
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	

DOCKET COPY

Hook
Chandler
Parker

TERMINATION AGREEMENT

It is agreed this 26 day of April 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and J. R. Beam and Ernest Crowder, d/b/a Beam Mining Company, Gaston County, North Carolina, hereinafter called the "Operators" parties to that certain Exploration Project Contract Idm-E769, Docket No. DMEA-3599, dated March 3, 1955, hereinafter called the "Contract," that:

1. Effective April 6, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date, except as otherwise provided in this termination agreement, shall be for the sole account of the Operator without contribution by the Government.

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of final report and final account.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

6. All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

BEAM MINING COMPANY

By: J. R. Beam
J. R. Beam, Partner

BY: Ernest Crowder
Ernest Crowder, Partner

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
EXECUTIVE OFFICER
DMEA REGION V

Docket Copy

MAR 28 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 353

Commodity Mica

Contract No. Idm-E 769

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

It is agreed this 3rd day of March, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] J. R. Bean and Ernest Crowder, partners, d/b/a Bean Mining Company, whose mailing address is Route 2, Spruce Pine, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of ice. The work to be performed is described in Exhibit "A." The Operator on or before April 18, 1955 shall commence the work, and on or before 4 mos. from date of contract (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $600.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $450.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

[illegible]
(Operator)

By J. R. Beam

By Ernest Crowder

THE UNITED STATES OF AMERICA

By C. O. Mitterdorf

Administrator, Defense Minerals Exploration Administration

Robert Hoffland
"Appr. Sol. Off."
Hoch
Chandler
Selfridge
[illegible]

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
BEAM MINING COMPANY
DOCKET NO. DMEA-3599

ANNEX I

The land referred to in Article 2 of the Contract was leased in an instrument dated December 2, 1954, by Mr. and Mrs. H. T. Beam to the Operator for a period of 5 years, renewable, and is described as follows:

> Beginning at a rock, formerly a sassafrass, on Wiley Mauney line and runs with the F. H. Vandyke line S 20 W 63 poles to a stake and pointers on the Neal line; thence with the Neal lines S 72 E 16 poles to a rock and pointers; S 20 W 123 poles to a white oak corner; thence S 72 E 63 poles to a rock and pointers in the old line; thence with the Kaiser line N 20 E 180 poles to a rock, formerly a black oak; thence with Wiley Mauney line N 72 W 85 poles to the beginning, containing 34 acres more or less. Same being identical land conveyed to F. S. Beam by deed dated January 2, 1903, and recorded in book 110, page 344 in the office of the Register of Deeds for Gaston County, N. C.

EXPLORATION PROJECT CONTRACT
BEAM MINING COMPANY
DOCKET NO. DMEA-3599

EXHIBIT "A"

Description of the Work

The work shall be performed in two successive stages, as follows:

Stage I

With a D-4 bulldozer or equivalent, strip an area approximately 200 feet by 20 feet by 5 feet deep along the trend (approximately east-west) of the old pits on the property, which are all caved and slumped. The approximate locations of the caved and slumped pits are shown on the sketch entitled, "Beam Bros. Figure 95--Geologic map of the E. R. Self Mine, Gaston County - DMEA 3599 (mlea)," attached hereto and made a part hereof.

If the Government is of the opinion that the results of Stage I warrant it and if it grants prior approval, Stage II shall be performed.

Stage II

On the most promising places uncovered by Stage I, sink a total of 60 feet of test pits, having minimum cross-sectional dimensions of 5 feet by 5 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

Stage I

Bulldozing, 30 hrs. @ $10.00/hr	$300.00

Stage II

Sink 60 feet of test pits @ $5.00/ft	$300.00	
Estimated total cost of project		$600.00
Government participation @ 75%		$450.00

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

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

See Annex

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/ J. R. Boam and Ernest Crowder

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 January 2, , and recorded in book 110 page 544 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 2nd day of December, 1954.

H T Beam [Seal] Rt. 1, Bessemer City, N.C.

Mrs. H. T. Beam [Seal]

_____ [Seal]

North Carolina, Gaston County

Annex to Owner's Consent to Lien:

Located, lying and being in Cherryville Township, County and State aforesiad, and bounded and described as follows:

Beginning at a rock, formerly a sassfrass, on Wiley Mauney line and runs with the P. H. Vandyke line S 20 W 63 poles to a stake and pointers on the Neal line; thence with the Neal lines S 72 E 16 poles to a rock and pointers; S 20 W 123 poles to a white oak corner; thence S 72 E 63 poles to a rock and pointers in the old line; thence with the Eaker line N 20 E 188 poles to a rock, formerly a black oak; thence with Wiley Mauney line N 72 W 88 poles to the beginning, containing 84 acres ore or less. Same being identical land conveyed to P. S. Beam by deed dated January 2, 1908, and recorded in book 110, page 544 in the office of the Register of Deeds for Gaston County, N. C.

This tract of land was devised to granters and grantee by will of P. S. Beam which is recorded in the office of the Clerk of Superior Court of Gaston County, North Carolina and granters herein convey their undivided interest in said tract.

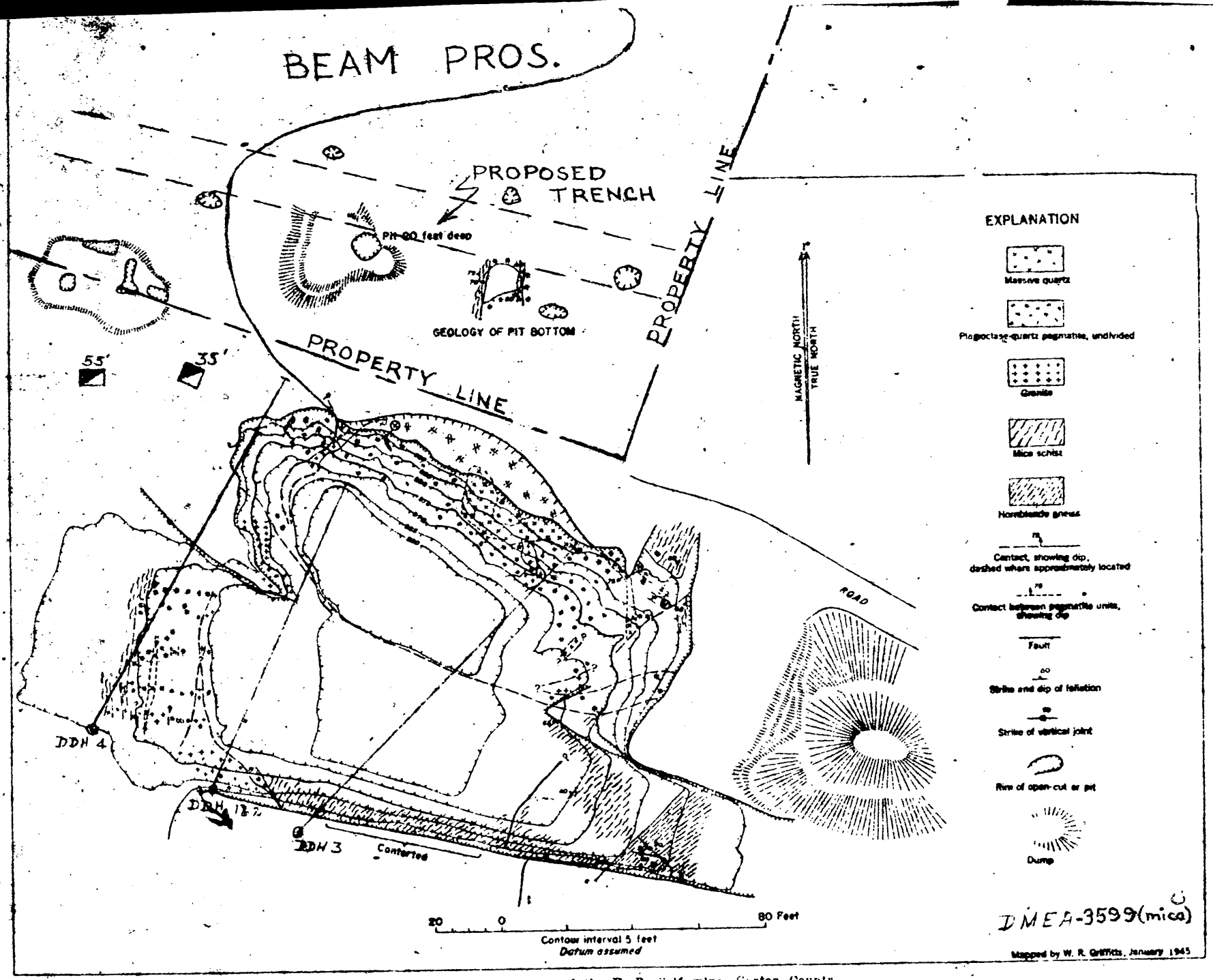


FIGURE 95.—Geologic map of the E. R. Self mine, Gaston County.

DOCKET COPY
Surname:

Hopkins
Houk
Chambers
Selfridge
Bjorkman

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

MAR 3 0 1956

Beam Mining Company
c/o Mr. J. L. Beam
Route #2
Spruce Pine, North Carolina

Re: Docket No. DMEA-3599-Mica
Beam Mining Company
Beam Prospect
Garland County, North Carolina
Contract No. Ldm-2769

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ms 3/22/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File
Mr. H. T. Beam)
Mrs. H. T. Beam) LAND OWNERS

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

Project Summary Report

March 22, 1956

By: James Hopkins

1. Docket No. DMEA-3599-Mica
Beam Mining Company(J. R. Beam and Ernest Crowder)
Beam Prospect
Gaston County, North Carolina
Contract No. Idm-E769
Operator: Beam Mining Company
c/o J. R. Beam
Route #2
Spruce Pine, North Carolina
Operator's Property Rights:
Lessee of Mineral Rights from Mr. and Mrs. H. T. Beam
Bessemer City, North Carolina

2. Contract: Dated March 3, 1955
a) Work authorized:
Stage I
Bulldozing to expose pegmatite
30 hours @ $10.00/hr. $300.00
StageII
Sink 60 feet of test pits @ $5.00/ft. $300.00
Estimated Total Costs $600.00
b) Amendments: None
c) Work completed:
Bulldozing 3 Trenches across pegmatite
1) 90'x12'x10'-12': 2) 50'x12'x8':
3) 25'x12'x4'.
30 hrs. @ $10.00/hr. $300.00

Work began on March 10, 1955 and was completed after 30 hrs. work.
The Contract was terminated by mutual agreement April 6, 1955.
Final Field Team Report April 14, 1955
Final Operator's Report waived.

3. Audit: Report of Review dated May 19, 1955

Total Cost as billed by the Operator	$300.00
Exceptions	None
Total Accepted Cost	$300.00
Government participation @ 75%	$225.00

4. Certification of Discovery--none issued

5. Comments:

Geologic Premise:

This project was founded on the premise that the possibility for the discovery of a deposit of mica was favorable because of the close proximity of pits and dumps, exhibiting small mica of strategic quality, to a productive mine.(Self Mine)

Geologic Criteria on which Project was based:

Dump material contains weathered pegmatite. Mica also seen in dumps. Arrangements of pits suggest 1) a pegmatite parallel to Self pegmatite, 2) one or more bulges of it or 3) several pegmatites which are "off shoots" of the Self pegmatite

Geologic Criteria developed during Project:

Several pegmatites poor in mica were exposed by trenching.

Future Possibilities:

None. Lack of vertical and lateral extent and poor quality of mica does not justify further work in the form of test pitting.

The Project was conducted in a satisfactory manner.

Recommendations:

Because the trenches failed to expose pegmatite that contained mica of strategic quality, the Field Team concluded that additional work is not warranted. They recommended that no certification of discovery should be issued.

The Nonmetallic Minerals Division concurs in this recommendation.

The Commodity Divisions of the Geological Survey and Bureau of Mines also concur.

James Hopkins
Nonmetallic Minerals Division

IN REPLY REFER TO:

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

RECEIVED
OCT 7 - 1955

October 6, 1955

Re: DMEA 3599, Idm-E769
Beam Mining Co.
Beam prospect
Gaston Co., N. C.
$600.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report.

$600.00 was approved for this project, one half of which was expended on Stage I work. Stage II work was not undertaken as no strategic mica-bearing pegmatite was uncovered by the bulldozing. Several pegmatites about 4 feet in maximum thickness were exposed.

No mica was produced and no royalty accrued.

The examiners and Field Team recommend that no certificate of discovery be issued.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED
MAY 17 1955

May 17, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3599 (mica)

Applicant: Beam Mining Company, c/o J. R. Beam, Route #2, Spruce Pine, N. C.

Name and Location of Property: Beam Prospect
Gaston County, North Carolina

Contract Number: Idm-E769

Date of Field Team Report: 4-14-55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5-16-55

Field Team Recommendation:

1. Denial.

Comments:

1. Trenching conducted under Stage I failed to expose mica of strategic quality.

2. Additional work was not recommended.

3. Expenditures

- Total approved	$600.00
- Total cost	300.00
- Gov't. share of the cost	225.00
- Value of production during operation	None

Recommendation:

I concur with the field team's recommendation to deny certification of discovery or development.

W. F. Dietrich

W. F. Dietrich

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

May 10, 1955

Memorandum

To: Operating Committee, DMEA -- Washington

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

Subject: Final Field Team Report, DMEA-3599 (mica) Beam Mining Co. Spruce Pine, N. C. Beam Prospect, Gaston County, N. C.

Enclosed are four copies of the Field Team final report on the subject exploration contract, which was terminated at the end of stage I. We are waiving the requirement for an Operator's final report, as the narrative submitted with the only voucher fills this requirement.

We do not recommend certification of discovery.

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

V. J. Lynch
Member, Bureau of Mines

DMEA CLEARANCE
5-16-55
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 12 1955

INTERIM REPORT

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
By
FIELD TEAM, REGION V

On

DMEA-3599, (mica) BEAM PROSPECT

By

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

and

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

5-16-55

April 14, 1955

FINAL REPORT
ON
DMEA-3599, Idm-E769 (mica) BEAM PROSPECT

Operator: Beam Mining Co., c/o J. R. Beam, Route # 2, Spruce Pine, N. C.

Location: 4.5 miles southeast of Cherryville, Gaston County, North Carolina. The prospect is adjacent to the Self Mica Mine.

Three trenches cut under this contract failed to expose pegmatite which contained mica of strategic quality. Additional work is not warranted; no certification of a discovery should be issued.

The starting date on this contract is March 10, 1955. Stage I of the contract has been completed, and additional work does not appear warranted. The contract was terminated by mutual consent effective April 6, 1955.

Trenching completed consisted of open cuts by bulldozer. Trench No. 1 trends N. 60° W. and is 90' x 12' x 10-12'. About midway of the No. 1 trench, Trench No. 2 (50' x 12' x 8') trending due north was cut, joining Trench No. 1 on the northeast side, and on the southeast end of Trench No. 1, Trench No. 3 trending N. 65° E. (25' x 12' x 4') and cross-cutting the end of Trench No. 1, was made. Pegmatite was exposed in both No. 1 and No. 2 trenches. Several pegmatites about 4 feet in maximum thickness, and composed of feldspar, quartz and muscovite mica were exposed. The mica was of very poor quality, contained "A" and "fishbone" structure, and was badly stained. Lack of vertical and lateral extent, which would be determined easily, and poor quality of mica in this stringer does not justify further work in the form of test pitting.

Expenditures:

(a)	Total approved	$600.00
(b)	Total cost of project	300.00
(c)	Government's share of cost	225.00
(d)	" " unexpended	225.00
(e)	Value of production during opr.	none

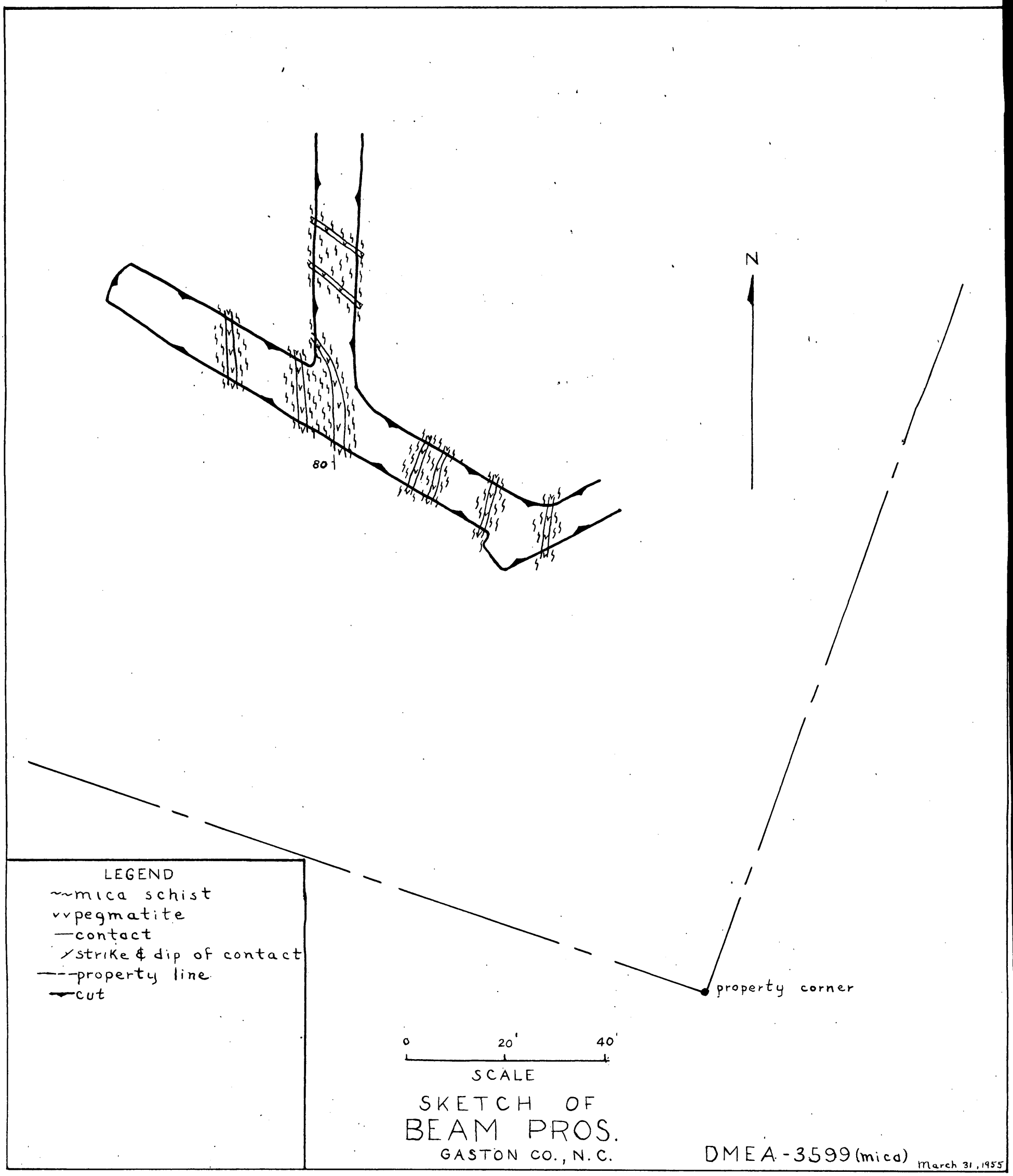
This project was conducted in a satisfactory manner.

April 14, 1955.

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

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

z


N
80
LEGEND
mica schist
pegmatite
contact
strike & dip of contact
property line
cut
property corner
0
20'
40'
SCALE
SKETCH OF
BEAM PROS.
GASTON CO., N.C.
DMEA-3599 (mica)
March 31, 1955

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

ROOM

May 3, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Termination Agreement - Idm-E769, DMEA-3599, Beam Mining Co. (mica)

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

V. J. Lynch

DOCKET FILE
Surname:

Hopkins
Houk
Selfridge
Wednesday

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

600

APR 25 1955

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

Subject: Docket No. DMEA-3599 - Mica
J. R. Beam and Ernest Crowder
d/b/a Beam Mining Company
Beam Mine Prospect
Gaston County, North Carolina
Contract No. Idm-E769

Dear Mr. Laurence:

Reference is made to the interim report dated March 30, 1955, on the subject contract in which it is suggested that the contract be terminated by mutual consent because the results of the work in Stage I indicate that Stage II is not warranted.

Since the Field Team and the Operator are in complete agreement that additional work is not justified, approval is granted to terminate the subject contract in accordance with the provisions of DMEA Circular No. 33, June 30, 1954, employing the form No. 6, "Termination Agreement (all contract forms-MF-200, MF-200A)."

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Approved:

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

Thor H. Kiilsgaard (GHB)
Member, Geological Survey

JHopkins:ad 4/21/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 28 1955

March 24, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From : Acting Executive Officer, DMEA - Region 5, Knoxville

Subject: Signed Contracts

Transmitted are the following signed contracts:

Idm-E772, DMEA-3615, Elbert Watson, R#3, Newland, N. C. (mica)

Idm-E769, DMEA-3599, Beam Mining Company, ,c/o J. R. Beam, Spruce Pine, N. C. (mica)

Distribution of the other copies has been made by this office.

V. J. Lynch

ZM.
cc:
Lynch
Shirley
Finance Office
Files.

DOCKET COPY
Surname:

Hopkins
Houk
Chandler
Selfridge
Kiilsgaard
Matheusdorf

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

MAR 3 - 1955

rt A. Laurence
Officer, DMEA
m, Region V
Post Office Bldg.
e 2, Tennessee

Subject: Docket No. DMEA-3599 - Mica
J. R. Beam and Ernest Crowder
d/b/a Beam Mining Company
Beam Mine Prospect
Gaston County, North Carolina

Mr. Laurence:

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

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

You will note the contract does not authorize Stage III - shaft sinking, as recommended by the Field Team. Authorization is deferred at this time because of the possibility that rock conditions may be encountered identical to those in the adjoining Self Mine area where sinking was so difficult.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated January 20, 1955, and from the Bureau of Mines, dated February 16, 1955, are enclosed.

Sincerely yours,

Approved:

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

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

George C. Selfridge (GLB)
Chairman, Operating Committee

JHopkins:ad 3/1/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 10

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 17 1955

February 16, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Brooke L. Gunsallus, Acting for Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3599 (mica)

Applicant: Beam Mining Company

Name and Location of Property: Beam Prospect
Gaston County, North Carolina

Date of Field Team Report: January 13, 1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 1-25-55

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Mica in dump is small in sizes but of strategic quality.
2. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation:

I concur in the field team's recommendation for a three stage project in the amount of $5,313.

Brooke L. Gunsallus

Brooke L. Gunsallus

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 21 1955

January 20, 1955

Re: DMEA-3599
Beam Mining Co.
(Beam Prospect)
Gaston Co., N. C.
$5,313 - Mica

Memorandum

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

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

Subject: Review of Field Team examination report

The Field Team has recommended a three-stage project be approved.

Although conclusive evidence of mica-bearing pegmatites on the applicant's property has not been clearly established, the possibility exists that preliminary trenching will indicate further exploration is warranted.

Inasmuch as this project can be terminated at the conclusion of Stage I, if results are unfavorable, I recommend the three-stage conditional program recommended by the Field Team be approved.

E. L. Newcomb

E. L. Newcomb

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

RECEIVED
JAN 14 1955

January 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report: DMEA-3599 (mica)
Beam Mining Co. Spruce Pine, N. C.
Beam Prospect, Gaston Co., N. C.

Enclosed are four copies of the subject examination report and six extra copies of the map.

We agree with the examiners recommendations, and suggest approval of a contract, on the short form, as outlined in the report.

This prospect was examined without a field referral, as the examiners were in the vicinity last week in connection with other DMEA work.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Reviewed by
DMEA OPERATING COMMITTEE
1-19-55
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM EXAMINATION REPORT, REGION VII

On

DMEA-3599, BEAM PROSPECT (mica)
Gaston County, N. C.

BY

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

and

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

January 12, 1955

Reviewed by
DMEA OPERATING COMMITTEE

1-19-55
(date)

FIELD EXAMINATION REPORT

ON

DMEA-3599, BEAM PROESPECT (mica)

Applicant: Beam Mining Company, Route #2, Spruce Pine, North Carolina

The Beam Prospect property is adjacent to the northwest side of the Self Mine (DMEA-1389X and DMEA-2377). The possibility for the discovery of a deposit of strategic mica appear to be favorable; thus, it is recommended that exploration assistance be granted - the work to be staged.

The Prospect is 4.5 miles southeast of Cherryville, in northern Gaston County, N. C. It is about 800 feet north of a soil road and one mile east of the paved Cherryville-Kings Mountain Highway.

Several shallow pits are on the property, all of which are now caved and slumped, (see attached map). No other workings or surface facilities are present.

The geology of the Self Mine and adjacent part of the Beam property are described in detail in the following:

U. S. G. S. Professional Paper 248-D, pp. 251-253.
Field Examination Report - DMEA-1389X
Final Report, DMEA-2377

Dump material consisting of weathered pegmatite is present at all of the pits. No pegmatite in place was observed. All of the dumps contain mica of small sizes which ~~are~~ is of strategic quality.

The distribution of the pits suggests that they are located on either (1) a pegmatite parallel to the Self pegmatite, (2) one or more "bulges" of it, or (3) several pegmatites whose strike are normal to and are "offshoots" of the Self pegmatite. The latter is suggested by the geology in one of the pits as shown on the map of the Self Mine in U. S. G. S. Prof. Paper 248-D.

It is the opinion of the field examiners that the applicants' proposal to sink a shaft without preliminary exploration is premature in as much as the attitude, size and number of pegmatites are not known. The exploration should be staged as follows:

Stage I. Strip with a bulldozer along the trend (approximately east-west) of the pits for about 200 feet.

Stage II. Sink 30 feet of test pits on the most promising places uncovered by Stage I.

Stage III. Sink a 50-foot shaft and drive 80 feet of drift and/or crosscut. A toolhouse, powder magazine and exploder magazine will be needed if this stage is undertaken.

The applicants are in agreement with these recommendations.

Working space on the property is sufficient to do the proposed exploration. The applicants are competent to do the work and are financially responsible. Manpower, supplies and equipment are available from the Spruce Pine district. Power is available at the Self Mine.

Estimated expenses:

StageI. Strip an area about 200'x20'x5'deep (all material is highly weathered) with bulldozer 30 hrs. @ $10.00/hr.	$300.00	
		$300.00
Stage II. Sink a total of 30 feet of 5' x 5' test pits (8 shifts)		
2 - laborers @ $1.00/hr.	128.00	
Hand tools	22.00	
		$150.00
Stage III.		
Toolhouse		78.00 ~~75.00~~
Powder Magazine		25.00
Exploder "		13.00
Sink 50-foot, 5' x 7', two-compartment timbered shaft (25 shifts)		
Labor:		
1 - miner @ 1.50/hr.	$300.00	
1 - Hoistman @ $1.25	250.00	
1 - Laborer @ $1.00/hr.	200.00	
Equipment (rental):		
Compressor, pump and drill @ $240/mo.	300.00	
Hoist @ $50/Mo.	62.50	
Supplies: Gasoline and oil	100.00	

Supplies - cont'd

Explosvies	$ 25.00	
Timber 5000 b.f. @ $65/M	325.00	
Drill steel	25.00	
Water and airlines	100.00	$41.80/ft
Hand tools	75.00	
Miscellaneous	177.50	
Insurance & Social Security	150.00	$2,090.00

Drive 80 feet of 5' x 7' drift, timbered where necessary (30 shifts).

Labor:		
1 - Miner @ $1.50/hr.	$360.00	
1 - Hoistman @ $1.25/hr.	300.00	
2 - Laborers @ $1.00/hr.	480.00	
Equipment (rental)		
Compressor, pump, drill & jackleg @ $250/mo.	375.00	
Hoist @ $50/Mo.	75.00	
Supplies:		
Gasoline and oil	175.00	
Explosives	25.00	
Timber, 4000 b. f. @ $65/M.	260.00	
Drill steel	25.00	$33.25/ft
Pipe	80.00	
Hand tools	75.00	
Miscellaneous	130.00	
Insurance and Social Security	300.00	~~$2,660.00~~
Total Stage III		$2,660.00
		$316.00
Total Stages, I, II, and III		~~$5,313.00~~
		3978.00

January 12, 1955

D. H. Amos, Geologist, U. S. G. S.

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

z

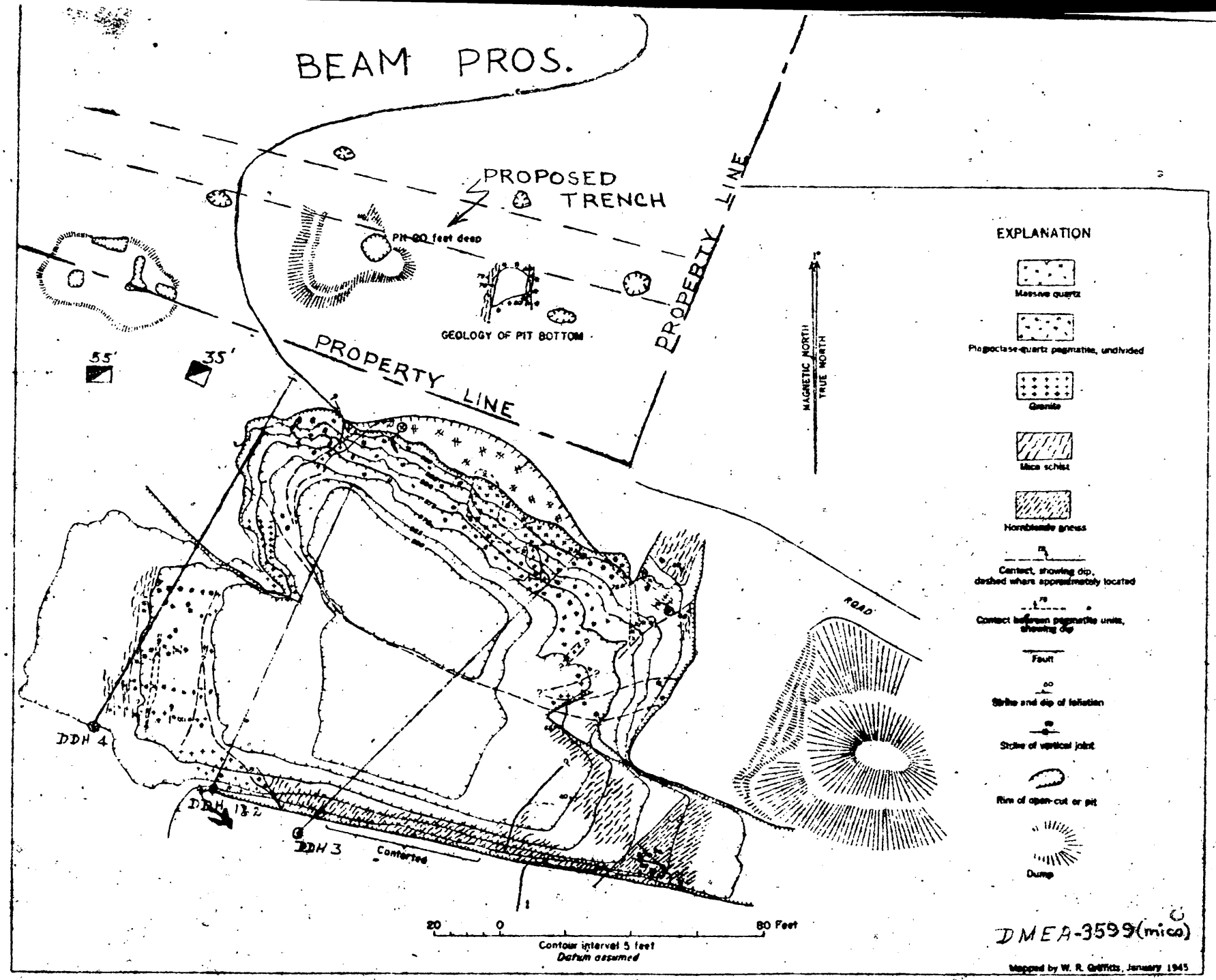


FIGURE 95.—Geologic map of the E. R. Self mine, Gaston County.

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

RECEIVED
DEC 28 1954

December 27, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3599 (mica)

Applicant: Beam Mining Company

Name and Location of Property: Beam Mine Prospect
Gaston County, North Carolina

Date Application Rec'd. by Ceram. & Fert. Mat. Br.: December 8, 1954

Comments:

1. From the limited information presented, it is difficult to determine if an exploration program is justified or if the proposed plan is the logical plan.

2. Estimated costs are in line with other DMEA projects based on a similar plan of exploration.

3. It appears a field examination is necessary.

Recommendation:

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

Donald R Irving

Donald R. Irving

IN REPLY REFER TO:

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

December 10, 1954

Re: DMEA-3599
J. R. Beam & E. Crowder
(Beam Mine Prospect)
Gaston Co., N. C.
$8,500
Mica

Memorandum

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

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

Subject: Review of application

The applicant proposes work involving 100 feet of shaft sinking and 100 feet of crosscutting and drifting.

We have no information which is specific to this particular prospect.

I recommend the application be referred to the Field Team for their review and recommendations. A field examination may be needed, if the Survey files in Knoxville indicate this property warrants further investigation.

E. L. Newcomb

E. L. Newcomb

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

November 8, 1954
Subject: DMEA-3599
Re: Exploration Assistance
Beam Mine Prospect

Beam Mining Co. (dba)
Route 2
Spruce Pine, N. C.

Gentlemen:

The receipt of your application dated December 6, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3599 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

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
DEC 7 8 1951

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. 3599
Metal or Mineral Mica
Date Received
Estimated Cost $8,500
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: J. R. Beam, Spruce Pine, Rt. 2, N. C.
Ernest Crowder, Spruce Pine, Rt. 1, N. C.
Partners
d/b/a Beam Mining Company, Spruce Pine, N. C., Rt. 2

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Legal description of property given on attached lease, as Annex 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated December 6, 1954

J.R.Beam & Ernest Crowder, D/B/A
Beam Mining Company
(Applicant)

By J. R. Beam
J. R. Beam, Partner

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

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

MF-103 (Continuation Sheet)

4. (a) No previous workings. New Prospect altogether. Property is accessible for examination.

(b) No past production.

(c) It is believed that strategic quality ruby mica may be found by exploring this area.

(d) Property is accessible to roads, shipping, etc.

(e) Manpower, materials, supplies, equipment available. Power is within 50'.

5. (b) Sketch map attached.

We propose to sink a shaft 100', then drift or cross cut 100' with vein.

6. Estimate of Costs:

Sink 5'x7' Shaft 100' @ $50.00 per ft.	$	5,000.00
Drift 100' in vein @ $35.00 per ft.		3,500.00
Total Estimated Cost of Project	$	8,500.00

MINING LEASE

State of North Carolina Gaston County:

This indenture made this 2nd day of December, 1954,

between H.T. Beam, Route 1, Bessemer City

of Gaston County and State of North Carolina as party of the first part, and known as lessor, and J. R. Beam and Ernest Crowder

of Avery County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the party of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

See Annex I, attached.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8 (One-Eighth)

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

Martha H. Limerick, N.P.
My Commission expires Jan. 19, 1955

H T Beam (Seal)

Mrs. H. T. Beam (Seal)

_____ (Seal)

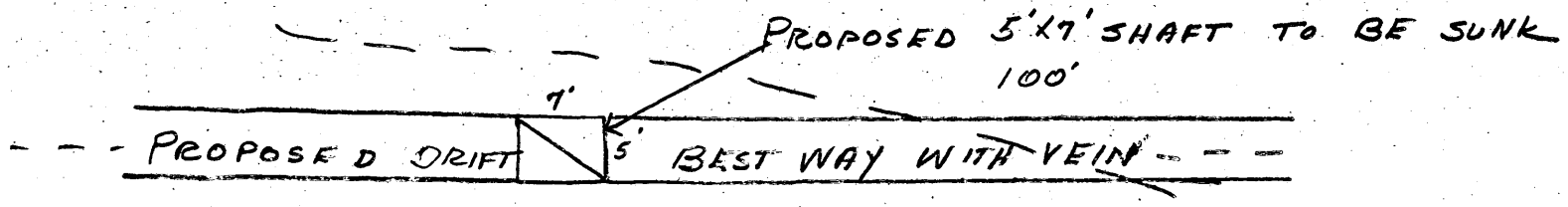
It is agreed by lessee that holes made by mining operations will be filled at descretion of lessor.

Located, lying and being in Cherryville Township, county and state aforesaid, and bounded and described as follows;

Beginning at a rock, formerly a sassafrass, on Wiley Mauney line and runs with the P.H. Vandyke line S 20 W 63 poles to a stake and pointers on the Neal line; thence with the Neal lines S 72 E I6 poles to a rock and pointers; thence S 20 W I23 poles to a white oak corner; thence S 72 E 63 poles to a rock and pointers in the old line thence with the Baker line N 20 E I88 poles to a rock, formerly a black oak; thence with the Wiley Mauney line N 72 W 88 poles to the beginning, containing 84 acres, more or less. Same being the Identical land conveyed to P.S. Beam by deed dated January 2, I908, and recorded in book II0 page 544 in the office of the Register of Deeds for Gaston County, N.C.

This tract of land was devised to grantors and grantee by will of P.S. Beam which is recorded in the office of the clerk of the Superior Court of Gaston County, North Carolina, and grantors herein convey their undivided interest in said tract.

BEAM MINE PROSPECT
GASTON CO., N.C.



THERE IS ROAD ACCESS TO SITE
FOR EXAMINATION

EXPLORATION ADMINISTRATION
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.
OFFICIAL BUSINESS

KNOXVILLE TENN. DEC 6 5 PM 1954

5 CENTS 5 JAMES MONROE 1817-1825

5 CENTS 5

5 CENTS 5

Mr. George C. Selfridge, Chairman
Operating Committee
Defense Minerals Exploration Administration
United States Department of the Interior
Washington 25, D. C.