3621

T-154

DMEA 3619

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	12/27/54
2	CONTRACT	DATE	3/15/55
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS 1	DATE	5-31-55

POCKET COPY

Hallard 7/12/55

EXPLORATION PROJECT CONTRACT
McKINNEY & YOUNG
DMEA-3619, Idm-E773

RECEIVED
JUN 27 1955

AMENDMENT No. I

It is agreed this 31st day of May 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and the partnership of Howard McKinney and Ralph Young, d/b/a McKinney & Young, Bakersville, North Carolina, that contract Idm-E-773 (Docket No. DMEA-3619) dated 15th March, 1955, is hereby amended as follows:

1. Under Exhibit "A", item 3, the first paragraph is amended to read: "Sink a 2-compartment shaft to a maximum depth of 54 feet. The shaft shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber. From the shaft, drive not more than 61.5 feet of drifts and/or crosscuts not less than 5 feet by 7 feet in cross-section and timbered where necessary."

2. Under Fixed Unit Costs,
   (a) Change "Sinking 95 feet of shaft @ $45/ft. $4,275.00",
   to "Sinking 54 feet of shaft @ $45/ft. 2,430.00

3. Add "Driving not more than 61.5 feet of drifts and/or crosscuts @ $30/ft..... " 1,845.00

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total mount which the Government may be required to pay, nor the amount of any item designated as 'Allowable maximum."

Justification: As the pegmatite dips at a lower angle than anticipated, and is also offset by minor faulting, it left the shaft, and the most feasible method of exploration is to get under this disturbed zone and then explore by level work. Because of the faulting, it was inpractical to attempt to incline the shaft and follow the pegmatite.

McKINNEY & YOUNG

By Howard McKinney
Howard McKinney, partner

By Ralph Young
Ralph Young, partner

THE UNITED STATES OF AMERICA

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

Docket copy, U.S. Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 28 1955

MF-200A
(Revised June 1954)

Docket No. DMEA - 3619

Commodity Mica

Contract No. Idm-E - 773

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

It is agreed this 15th 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] Howard McKinney and Ralph Young, partners, d/b/a McKinney and Young, whose mailing address is Bakersville North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] recorded in Book 16, page 25, 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 mica. The work to be performed is described in Exhibit "A." The Operator on or before May 1, 1955 shall commence the work, and on or before 6 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 $4,688.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,516.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

MCKINNEY AND YOUNG
(Operator)

By C. Mittendorf
Administrator, Defense Minerals Exploration Administration

By Howard McKinney (Partner)

By Ralph L. Young (Partner)

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
MCKINNEY AND YOUNG
DOCKET NO. DMEA-3619

ANNEX I

The land referred to in Article 2 of the contract form is known as the Woody Hill Mine and was leased for mining purposes to Howard McKinney and Ralph Young for a period of five years, renewable, by E. C. Guy and F. A. Black by an instrument dated December 14, 1953. It is located on the north side of North Carolina Highway No. 26, 1.56 airline miles 89°E of Bakersville, Mitchell County, North Carolina, and is described in the lease as follows:

BEGINNING on a Black Gum on top of a ridge and runs South 33 degrees East 393 feet to a Chestnut in W. M. McKinney's line; thence South 48° east 271 feet with said McKinney's line to a poplar; thence South 378 feet to a stake, E. L. Johnson's (Parley Burleson's corner); thence South 42° West 475 feet with said E. L. Johnson's (Parley Burleson's) line to a stake in the State Highway; thence North 22° West with said road 200 feet to a stake in said road; thence North 65° West 450 feet to a stake in said road; thence North 15° West with the meanders of said State Highway 200 feet to a stake; thence North 35° East with the said road 350 feet to a stake in said road; thence North 5° East with said road 224 feet to a stake in said road; thence North 55½° East with C. E. Greene's line 282 feet to the BEGINNING corner. (Being the Black Gum corner between W. M. McKinney and C. E. Greene) Containing 13½ acres more or less.

EXPLORATION PROJECT CONTRACT
MCKINNEY AND YOUNG
DOCKET NO. DMEA-3619

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled "Sketch of Woody Hill Mine, Mitchell Co., N. C. DMEA-3619 (mica)," in two successive stages, as follows:

Stage I

By bulldozer method cut two trenches, each 100 feet by 15 feet by 6 feet, along the possible extensions of the pegmatite, one to be northeast and one southwest of the existing workings.

Stage II

Stage II shall be undertaken if approved in advance by the Government, based upon the results of Stage I, as follows:

1. Construct 200 yards of access road, by use of bulldozer.

2. Construct:

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

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

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

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

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

3. Sink on the pegmatite a 2-compartment shaft to the bottom of the pegmatite or to a maximum depth of 95 feet. The shaft shall be timbered as necessary and shall have cross-sectional dimensions of not less than 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Bulldozing trenches - 20 hours @ $10/hr.	$ 200.00	
Constructing access road - Bulldozer, 10 hours @ $10/hr.	100.00	
Constructing: Toolhouse 1/	75.00	
Powder magazine 1/	25.00	
Exploder magazine 1/	13.00	
Sinking 95 feet of shaft @ $45/ft.	4,275.00	
Estimated Total Cost of Project		$4,688.00
Government Participation @ 75%		$3,516.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 28 1955

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

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

As described in Mineral Lease executed By F.A. Black and E.C. Guy, under date of December 14th, 1954, to Howard McKinney and Ralph Young of State & County aforesaid and more fully described in said lease duly recorded in Register of Deeds Office for Mitchell County, N.C. on Page 225 Book # 46

~~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/ Howard McKinney and Ralph Young, of Bakersville, North Carolina. A Partnership, doing buisness under name of McKinney & Young Bakersville, Mitchell County, State of North Carolina.

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)

DEPARTMENT OF THE ARMY
Defense Mineral's Administration
RECEIVED
FEB 21 1955

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 ~~xxxxx~~ NONE The land referred to in this document is fully described below.

Dated this ~~22nd~~ day of ~~December~~, 1954.

F. A. Black [Seal] Bakersville N.C.

E. C. Guy [Seal] Newland N C

[Seal]

North Carolina
Avery County:

Personally appeared before me this day E. C. Guy, who has acknowledged due execution of the foregoing lease. This 23rd. day of December 1954.

Georgia A. LaBarbera
Notary Public

My Commission expires April 23rd, 1956

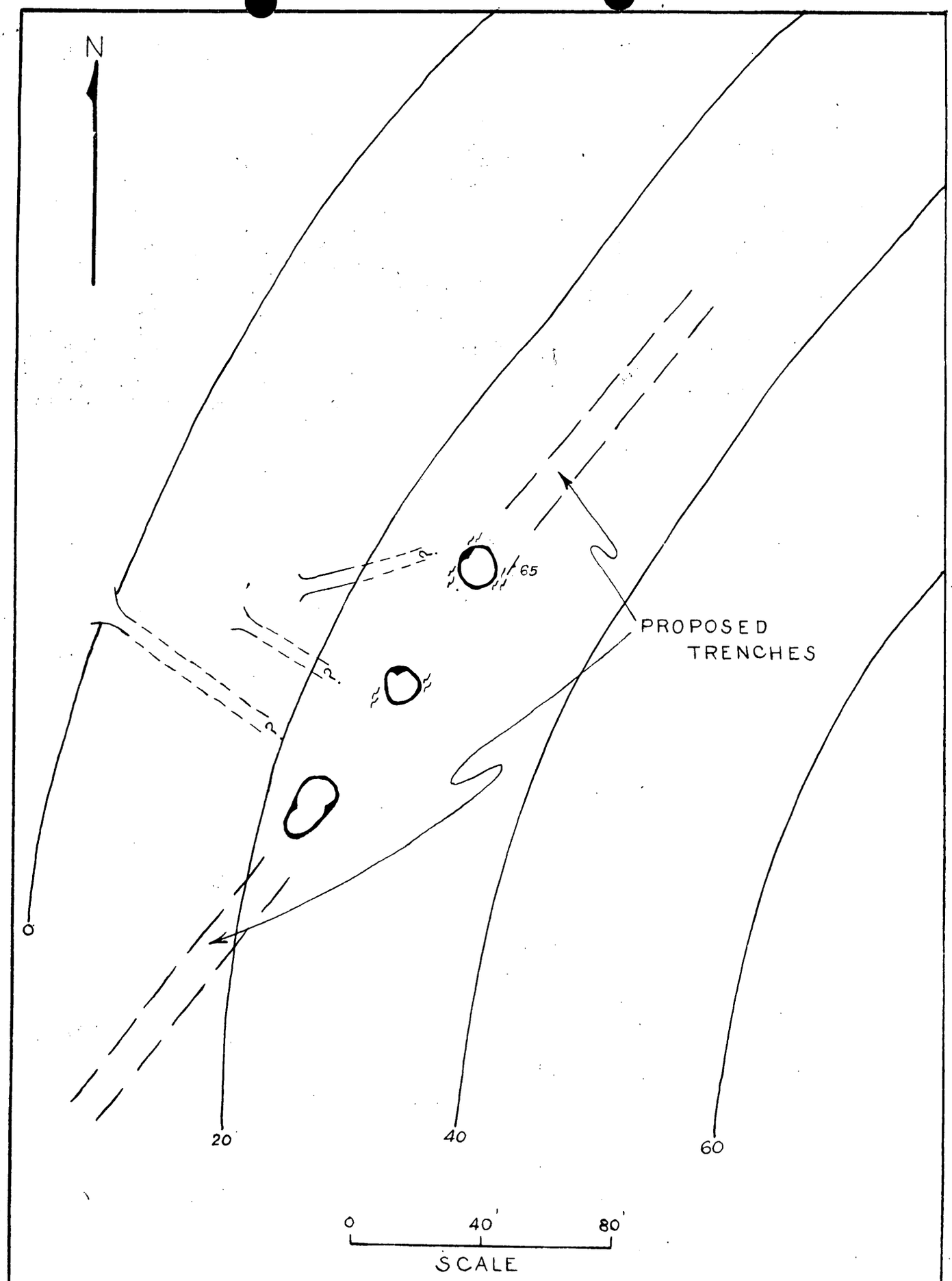
Beginning on a Black Gum on top of ridge and runs South 33 degrees East 353 feet to a Chestnut in W. H. McKinney's line; thence South 48 East 271 feet with said McKinney's line to a ~~[illegible]~~ poplar; thence South 378 feet to a stake, E. L. Johnson's (Parley) Burleson's corner); thence South 42° West 475 feet with said E. L. Johnson's (Parley Burleson's) line to a stake in the State Highway; thence North 22° West with said road 200 feet to a stake in said road; thence North 65° West 450 feet to a stake in said road; thence North 15° West with the meanders of said State Highway 200 feet to a stake; thence North 35° East with the said road 350 feet to a stake in said road; thence North 5° East with said road 224 feet to a stake in said road; thence North 55½° East with C.E. Greene's line 282 feet to the Beginning corner (Being the Black Gum corner between W. H. McKinney and C. E. Greene). Containing 13½ acres more or less.

By: F. A. Black

By: Howard McKinney
Howard McKinney

By: E. C. Guy

By Ralph L. Young
Ralph Young



SKETCH OF
WOODY HILL MINE
MITCHELL CO., N.C.

DMEA-3619 (mica)

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

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Selfridge
Hjelmson

Mr. Howard McKinney
P. O. Box 141
Bakersville, North Carolina

MAR 30 1956

Re: Docket No. DMEA-3619-Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. IDm-5773

Dear Mr. McKinney:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 3/28/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File
Mr. F. A. Black) LAND OWNERS
Mr. E. C. Guy)

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

Project Summary Report

March 28, 1956

By: Walter C. Anderson

1. Docket No. DMEA-3619-Mica
Contract No. Idm-E773
Woody Hill Mine
Mitchell County, North Carolina

Operators: Howard McKinney and Ralph Young
Bakersville, North Carolina
Application: Form MF-103(April, 1952) received December 27, 1954
Work proposed: Bulldoze to expose pegmatite and 100 feet of shaft.
Amount requested:
$3,900.75
Operators' property rights:
Mining lease for 5 years on the Guy and Black property, dated December 14, 1954.
Owners' Consent to Lien dated December 22, 1954.

2. Contract: Form MF-200A(June, 1954) dated March 15, 1955.
Work Authorized:

Bulldozing trenches - 20 hrs. @ $10.00/hr.	$ 200.00
Bulldozing access road - 10 hrs. @ $10.00/hr.	100.00
Constructing - Toolhouse, powder and exploder magazines	113.00
95 feet of shaft @ $45.00/ft.	4275.00
Estimated total cost of project	$4688.00
Government participation @ 75%	$3516.00

Amendments: No. 1, 5/31/55 - Changes shaft sinking from 95 feet to 54 feet and adds 61.5 feet of drifts and/or crosscuts at $30.00/ft.

Work completed:

Bulldozed road and shaft site	$ 300.00
Constructed toolhouse, powder and exploder magazines	113.00
54 feet of shaft @ $45.00/ft.	2430.00
59 feet of drifts @ $30.00/ft.	1770.00
Total accepted cost	$4613.00
Government participation	$3459.75

Work began on March 25, 1955 and ended July 29, 1955.
Field Team Final Report received on September 15, 1955.
Operators' Final Report received on September 15, 1955.
Production during project - 350 pounds of "mine-run" mica
Sales of mica subsequent to project - $68.00
Royalty received - $3.40
Remainder of mica has been stolen, so no further payments of royalty is expected.
No equipment purchased under the contract.

3. Audit: Report of Review issued August 25, 1955.
Accepted cost $4613.00
Government participation $3459.75

4. Certification of Discovery - none issued

5. Comments:

How conducted:
All of the work in which the Government participated was conducted in an efficient and satisfactory manner.

Operation: Good

Engineering: Reporting by the Operators was very inadequate and unsatisfactory.

Geological Premise:
The premise that a mica-bearing pegmatite would continue in depth did not materialize since a pegmatite 12 feet thick at the surface narrowed to 1/2 to 1½ feet at the 54-foot level.

Geological Criteria upon which work was based:
1. Pegmatite - exposures are poor. Very little country rock in dump suggests pegmatite in excess of 5 feet in thickness. Workings indicate pegmatite to be at least 115 feet long. No information on zonal characteristics. The pegmatite is a sill-like body, unweathered and probably conformable.
2. Mica - small, hard, clear, free-splitting and ruby colored.
3. Past Production - record not available.

Criteria developed during project:
1. Pegmatite - unzoned, conformable, 1/2 to 1½ feet thick and exposed along strike for a distance of 32 feet.
2. Sparse occurrence of excellent quality mica, ruby in color, flat and clear.
3. Mica reserves negligible

Future possibilities:
Additional exploratory work is not warranted. No promise for mica production.

Recommendations: The Nonmetallic Minerals Division concurs in the Field Team's recommendation not to certify the project as the exploration work failed to discover a deposit of strategic mica.
The Commodity Members of the Geological Survey and Bureau of Mines also concur.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

Docket Copy
Surname:
Anderson
Houk
Oldmann
Selfridge
R. Johnson

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

DEC 14 1955

Mr. Howard McKinney
McKinney and Young
Bakersville, North Carolina

Re: Docket No. DMEA-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-M773

Dear Mr. McKinney:

Under Article 7 (b) (1) of the subject contract you are obligated to pay the Government a royalty on all minerals mined or produced from the land "...regardless of any certification of discovery or development, from the date of the contract until the lapse of time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first". According to your final report about 150 pounds of block ruby mica was recovered during the exploration project.

In order to close out our records on this contract, it would be appreciated if you send to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, your check for the Government's royalty on the above and any other production from the property. The check should be made payable to the Defense Minerals Exploration Administration and should be accompanied by certified copies of sales slips.

Sincerely yours,

C. O. Mirandori (by CS7)
Administrator

WCAnderson:gad 12/12/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

IN REPLY REFER TO:

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

RECEIVED
SEP 26 1955

September 23, 1955

Re: DMEA 3619, Idm-E773
Howard McKinney and Ralph Young
Woody Hill Mine
Mitchell County, N. C.
$5,913.00 - Mica

Memorandum

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

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

Subject: Review of Final Field Team Report.

As noted by the field examiners this prospect had little to recommend it before the Stage I work (bulldozing) was done and the results of the work are conformable.

I concur with the recommendation of the Field Team that a certificate of discovery is not justified and should not be issued.

N. E. Nelson

N. E. Nelson

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

September 22, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3619 (mica)

Applicant: H. McKinney and R. Young

Name and Location of Property: Woody Hill Mine, Mitchell Co., N. C.

Contract Number: Idm-E 773

Date of Field Team Report: 9/9/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/19/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The final report indicates considerable production during the exploration program but no royalty was collected as of September 9 and the program ended July 29. Efforts should be made to collect what is due the Government. The report should not be considered final until the marketable mica recovered during exploration has been sold and the royalty on its sale has been received by the Government.

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

3. Expenditures -

Total approved	$4,688.00
Total cost	4,613.00
Gov't share of the cost	3,459.75
Value of production during operation	? (production was reported)

Recommendation: I concur with the field team's recommendation for "no certification of discovery."

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

September 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3619, Idm-E773 (mica), Howard McKinney and Ralph Young, Woody Hill Mine, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject contract.

We do not recommend certification.

/s/ Robert A. Laurence
Executive Officer
DMEA Region V

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

Reviewed by
DMEA OPERATING COMMITTEE
9-19-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 1 5 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-3619, WOODY HILL MINE (Mica)
Mitchell County, North Carolina

By

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

and

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

September 9, 1955

Reviewed by
DMEA OPERATING COMMITTEE
9-19-55
(date)

FINAL REPORT

On

DMEA-3619, Idm-E 773, WOODY HILL MINE

RECEIVED
Sep 13 1955

Operators: Howard McKinney and Ralph Young, Bakersville, North Carolina

Location: On the north side of Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, North Carolina

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

Work began under the contract on March 25, 1955 and ended July 29, 1955. Two trenches, each about 125' x 18' x 12', were bulldozed under Stage I of the contract (location shown on attached sketch map). A total of 20 machine hours were required to do this work. Mica-bearing pegmatite was exposed in the northeast one. An access road about 600 feet long and a toolhouse, powder magazine and exploder magazine were constructed. From the bottom of the northeast trench a 54-foot vertical shaft was sunk and timbered. A crosscut was then driven 27 feet in a S. 30° E. direction. A total of 32 feet of drifts were made from this crosscut; 20 feet in a S. 60° W. direction and 12 feet N. 60° E. Old works were encountered in the southwest drift.

A conformable pegmatite which is about 12 feet thick in the trench bottom but which thins to $\frac{1}{2}$ - $1\frac{1}{2}$ feet at the 54-foot level was exposed by the work completed. It strikes N. 60° E. and dips 50 - 70° to the southeast. The body consists of plagioclase, quartz and muscovite. No zoning is apparent. The enclosing country rock is mica schist.

About 350 pounds of "mine-run" mica were recovered from the contract work; 200 pounds of which was obtained from the northeast dozer cut and the remainder from the southwest drift. It is ruby-colored, flat and clear and is of excellent quality.

No significant reserves were revealed by the work done under the contract.

Expenditures:	(a)	Total approved	$4,688.00
	(b)	Total cost of project	4,613.00
	(c)	Government's share of cost	3,459.75
	(d)	Government's share unexpended	56.25
	(e)	Value of production during operation	?
	(f)	Royalty received to date	None

The work under the contract was conducted in an efficient and satisfactory manner.

No equipment was purchased under the contract.

September 9, 1955.

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

g

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

September 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3619, Idm-E773 (mica), Howard McKinney and Ralph Young, Woody Hill Mine, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject contract.

We do not recommend certification.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

SUMMARY OF ENTIRE PROJECT

DMEA-3619, Idm-E773 (mica)
Woody Hill Mine

1. Caused surfacing to be done by bulldozing at each end of old works as instructed.

2. Had road built to site of mine. Built exploder magazine, powder magazine, and tool house.

3. Sunk shaft to depth of 54 ft. This vein did not prove to be mica bearing.

4. Crosscut approximatly 27 ft. to another vein.

5. Continued work to approximatly 32 ft.. Found about 150 lbs. block ruby mica in this vein. The worked area appears to have been pushed about. Vein is very narrow at this point.

Checking for mica

SUMMARY OF ENTIRE PROJECT

DMEA-3619, Idm-E773 (mica)
Woody Hill Mine

1. Caused surfacing to be done by bulldozing at each end of old works as instructed.

2. Had road built to site of mine. Built exploder magazine, powder magazine, and tool house.

3. Sunk shaft to depth of 54 ft. This vein did not prove to be mica bearing.

4. Crosscut approximatly 27 ft. to another vein.

5. Continued work to approximatly 32 ft.. Found about 150 lbs. block ruby mica in this vein. The worked area a pears to have been pushed about. Vein is very narrow at this point.

SUMMARY OF ENTIRE PROJECT

DMEA-3619, Idm-E773 (mica)
Woody Hill Mine

1. Caused surfacing to be done by bulldozing at each end of old works as instructed.

2. Had road built to site of mine. Built exploder magazine, powder magazine, and tool house.

3. Sunk shaft to depth of 54 ft. This vein did not prove to be mica bearing.

4. Crosscut approximatly 27 ft. to another vein.

5. Continued work to approximatly 32 ft.. Found about 150 lbs. block ruby mica in this vein. The worked area a pears to have been pushed about. Vein is very narrow at this point.

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

OPERATOR: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

LOCATION: On the north side of N. C. Highway No. 26, 1.56 airline miles S9°E of Bakersville, Mitchell Co., N. C.

This contract, with the exception of 2.5 feet of drift, has been completed without making a worthwhile discovery of mica-bearing pegmatite from shaft and drift work completed. The Field Examiners are of the opinion that no additional work is justified on this extension of the body.

A brief resume of the work follows: An access road was completed to the mine, two bulldozer trenches were cut by bulldozer to the northeast and southwest along the possible extensions of the body requiring 20 hours machine time, a tool house and powder and cap magazines were constructe, a vertical shaft was sunk on exposed pegmatite in the southwest trench to a total depth of 54 feet, which bottomed in weathered mica schist, a crosscut was driven from the shaft bottom to the southeast for a distance of 27 feet, a drift was driven S60°W for a distance of 20 feet, and a short drift to the northeast following narrow pegmatite for a distance of 12 feet. Mica recovery from surface and drift work was scant, but mica recovered was of good quality.

This project was conducted satisfactorily and safely.

RECEIVED
AUG 22 1955

L. E. Shirley

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

K. H. Teague D. H. Amos

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

August 9, 1955

RECEIVED
AUG - 8 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

OPERATOR: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

LOCATION: On the north side of N. C. Highway No. 26, 1.56 airline miles S9°E of Bakersville, Mitchell Co., N. C.

Drifting continues to the southwest on this contract, and is now at 19 feet from the southeast crosscut referred to in an earlier report. 15 feet of drift remains to be driven under contract, and work will continue in the same general direction until another visit can be made. Old workings encountered at 10 feet, have been bypassed successfully. Mica recovery in the past two weeks has been scant.

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

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

July 26, 1955

INTERIM REPORT

DMEA-3619 Idm-E773 (mica) WOODY HILL MINE

RECEIVED
JUL 25 1955

OPERATOR: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

LOCATION: On the north side of N. C. Highway No. 26, 1.56 airline miles 59° E. of Bakersville, Mitchell County, N. C.

Drifting continues on this contract and combined with crosscutting, now totals 37 feet. The crosscut was driven for a total distance of 27 feet from the shaft and intersected a narrow pegmatite at 22 feet. A 6-foot test hole in the face of the crosscut did not cut pegmatite. The operator dropped back to the narrow pegmatite, and a drift was driven 10 feet in pegmatite containing considerable good quality mica. At the 10-foot point, the bottom of an old shaft was intercepted, and the operator was advised to drop back and bypass this old work. The drift has been driven in a S60°W direction, and additional work will follow along the northwest wall.

The operator was advised to bulkhead the old workings as soon as practicable, and to exercise care in shooting until this area is bypassed.

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

L. E. Shirley

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

D. H. Amos

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

July 13, 1955

RECEIVED
JUL - 8 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operators: McKinney & Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

Location : On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E of Bakersville, Mitchell County, N. C.

The crosscut to the southeast has been advanced 22 feet from the shaft bottom. A pegmatite having a maximum thickness of 1½ feet is exposed in the head of the crosscut. It contains abundant mica of excellent quality.

The Operator was advised to advance the crosscut one more round and drill a long hole to make certain this is the target pegmatite and then to drift southwest along the pegmatite.

The work completed to date is satisfactory.

Date of Inspection: June 27, 1955

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

Z

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED

June 23, 1955

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Amendment No. 1 - DMEA-3619, Contract Idm-E773
McKinney and Young, Bakersville, North Carolina
Woody Hill Mine (mica), Mitchell County, North Carolina

Transmitted herewith are the original and two copies of the subject amendment. The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

Enclosures 3

RECEIVED
JUN 23 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney, Box 141, Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, N. C.

Crosscutting is now underway on this contract and has advanced 18½ feet in a S. 30° E. direction. The entire crosscut is in mica schist whose foliation strikes about N. 60° E. and dips 75° to the southeast.

The Operator was advised to advance the crosscut an additional 17 feet, and then wait until another examination by members of the Field Team can be made.

Date of Examination: June 15, 1955

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

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

g

Docket Copy
Surname:
Anderson
Houk
Selfridge
Johnson
Mittendorf

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

600

JUN 13 1955

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

Subject: Docket No. DMEA-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina
Contract No. Idm-E773

Dear Mr. Laurence:

Reference is made to your memorandum of May 27, 1955, requesting permission to amend the subject contract.

Please be advised that you are granted permission to amend the contract along the lines recommended in your memorandum.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

WCAnderson:gad 6/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

R.C.L.

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

June 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 5, Knoxville, Tennessee

Subject: DMEA-3619, Idm-E773 (mica) McKinney & Young, Bakersville, N. C. Woody Hill Mine, Mitchell County, N. C. Interim Report.

Enclosed are four copies of the latest interim report on the subject exploration contract.

We have prepared an Amendment to the contract, reducing the maximum depth of shaft to 54 feet, and converting the remaining unused footage to drift and/or crosscuts @ $30 per foot. The Amendment will be presented to the Operator for signature next Thursday, and the executed copies will be distributed as soon as they are received here.

Because of the change of dip and offsetting of the pegmatite by a series of minor faults, it was inpractical to incline the shaft to stay on the pegmatite. Laterals at the 54-foot level will provide the best picture of the reserves at this deposit.

V. J. Lynch, Member
Bureau of Mines

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

RECEIVED
JUN 10 1955

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney, Box 141-Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, N. C.

A 54-foot vertical shaft has been sunk. The bottom is in weathered mica schist. The Operator was advised to turn off a cross-cut to the southeast from this level.

Work completed to date is satisfactory.

Date of Examination: June 2, 1955

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1055 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 27, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3619, Idm-E773 (mica) McKinney & Young, Bakersville, N.C.
Woody Hill Mine, Mitchell County, N. C.

Enclosed are 4 copies of the latest interim report on the subject contract.

We are advising the Operator to continue sinking the shaft, although the pegmatite has left the shaft, because the poor condition of the ground at that depth made it undesirable to turn off a level at that point.

We are planning to amend this contract approximately as follows:

(1) delete "on the pegmatite" from the first sentence of item 3, exhibit "A"

(2) convert the unused shaft footage to crosscut and/or drift at $30 per foot. If, as estimated, the shaft will be carried to about 60-feet, this will leave $1575, sufficient for 52.5 feet of level work.

We think the target justifies these changes, and our field examiners will instruct the Operator accordingly when they next visit the project on Wednesday, June 1. If you do not approve of these changes, please advise us at the earliest possible date.

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

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

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney-Box 141, Bakersville,,N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline mile S. 9° E. of Bakersville, Mitchell County, N. C.

Shaft sinking continues on this contract and now totals 43 feet. The shaft bottom is in weathered mica schist whose foliation strikes N. 35° E., and dips 85° S. E. Numerous faults of small displacement are present in the schist.

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

Progress to date is satisfactory.

Date of examination: May 18, 1955.

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

RECEIVED

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney, Bx 141, Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S 9° E. of Bakersville, Mitchell County, N. C.

Vertical shaft sinking continues on this contract and is now at 26 feet. The shaft is in good shape and has been cribbed to near bottom with 2" x 6" oak timbers. A separated manway containing both temporary and permanent ladders in one section has been installed. Suggestions were made concerning the ladderways and necessary railings extending around the surface opening. A toolhouse and magazines have been constructed.

Material encountered is barren pegmatite composed of feldspar and containing many quartz lenses, but little mica. The body appears to rake to the southwest and the southeast side of the shaft near the present level exhibits evidence of considerable movement.

Progress on this contract is satisfactory.

Inspected: May 5, 1955.

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

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

z

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

April 28, 1955

McKinney & Young
c/o Mr. Howard McKinney
Bakersville, North Carolina

Re: DMEA-3619, Idm-E773 (mica)
Woody Hill Mine

Dear Mr. McKinney:

This will confirm the verbal approval given to you by our Field Examiners on April 5, to proceed with Stage II of the exploration contract at the Woody Hill Mine.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/sm
cc:
Opr. Com.-2
Shirley
Lynch
Files

C

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney Box 141, Bakersville, N.C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline mile S. 9° E. of Bakersbille, Mitchell County, N. C.

Stage II of this contract has been started. A road has been bulldozed to the location and a toolhouse, powder magazine and exploder magazine constructed. Shaft sinking has progressed to a depth of 8 feet in pegmatite.

Progress on the contract is satisfactory.

Date of Examination - April 20, 1955.

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

and

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

z

INTERIM REPORT

DMEA-3619, Idm-E773 (mica) WOODY HILL MINE

Operator: McKinney and Young, c/o Howard McKinney Box 141, Bakersville, N. C.

Location: On the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, N. C.

Stage I of this contract, consisting of two bulldozer trenches along the possible extensions of the pegmatite hasbeen completed. Permission was given the Operator to undertake Stage II of the contract.

Trench No. 1, (125' x 18' x 12 to 20'), located southwest of existing old workings was completed without exposing workable pegmatite. Some barren, granitic material as lenses or pods and weathered country rock, a biotite gneiss, was encountered in this cut. Trench No. 2, (125' x 18' x 12') trends N. 40° E. and was begun about 30 feet northeast of existing old workings. About 200 pounds of medium to large-sized mica was recovered from this work; clay-staining was the worst defect observed. Pegmatite material was exposed at two locations in the cut, and the bodies were composed of kaolinized feldspar and quartz, varying in thickness from 2 to 6 feet. Most of the exposed mica had been removed from the area but was available to the Examiners for inspection. A shaft site was spotted and instructions were given for the beginning of Stage II.

Inspected: April 5, 1955.

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 25, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract: Idm-E773, DMEA-3619 (mica)
McKinney & Young - Bakersville, N. C.

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

V. J. Lynch

V. J. Lynch

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 1000 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region 5, Knoxville, Tennessee

Subject: DMEA-3619 (mica), McKinney & Young, Woody Hill Mine, Mitchell County, N. C.

Reference is made to your letter of March 15, transmitting the subject contract for signature by the Operator.

We are forwarding it to the Operator, but, as explained in previous correspondence, it appears to us that a combination of shaft-sinking and drifting is a more effective method of exploration than just shaft-sinking alone. If level work appears to be undesirable, the project can be stopped at any stage by termination and the unspent balance is released. We may recommend level work at this project after the shaft is well underway, if conditions seem favorable.

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

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

DOCKET COPY
Surname:
Anderson
Houk
Chandler
Selfridge
Johnson
Hedges

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

600

MAR 1 5 1955

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

Subject: Docket No. DMEA-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval present it to the 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.

Please note that the contract provides for a change in exploration work from that recommended by the field team. Instead of sinking the shaft to a depth of 60 feet and driving 80 feet of drift, for the present we prefer to confine the exploration to sinking a shaft to the bottom of the pegmatite or to a maximum of 95 feet in depth.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from the Geological Survey, dated February 18, 1955, and from the Bureau of Mines, dated February 24, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 10

WCAnderson:ad 3/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.H.

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

February 24, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3619 (mica)

Applicant: Young and McKinney

Name and Location of Property: Woody Hill Mine
Mitchell County, North Carolina

Date of Field Team Report: February 11, 1955

Date Rec'd. by Br. of Ceram. & Fert. Mat.: February 17, 1955

Field Team Recommendation:

1. Approval of a contract.

Comments:

1. Mica in dump of good 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.

3. Total estimated costs are in the amount of $5,913.

Recommendation:

I concur in the field team's recommendation for a two stage exploration project in the amount of $5,913.

W. F. Dietrich

W. F. Dietrich

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

HOOM POST OFFICE BLDG.

Defense Minerals Administration
RECEIVED
FEB 21 1955

February 18, 1955

Memorandum

To: Operating Committee, DMEA - Washington 25, D. C.

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

Subject: DMEA-3619, (mica) McKinney & Young, Woody Hill Mine, Mitchell County, N. C.

Transmitted is a copy their lease, and six copies of Owner's Consent to Lien for the subject docket with an adequate legal description typed on each and signed by the participants.

V. J. Lynch

V. J. Lynch

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Adm.
RECEIVED
FEB 18 1955

February 18, 1955

Re: DMEA-3619
McKinney & Young
(Woody Hill Mine)
Mitchell Co., N. C.
$5,913 - 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 two-stage project be approved.

There is very little evidence presented in the report that indicates successful exploration can be expected by underground work. However, as a two-stage project with the shaft sinking contingent upon favorable evidence from the trenching phase, a limited amount of surface trenching is justified.

The small sized mica material in the dumps is of strategic quality and the proposed dozing northeast and southwest of the old workings may disclose additional areas of mica-bearing pegmatite.

I recommend the two-stage project be approved with stipulation being made that contract be terminated after Stage I bulldozing if results are unfavorable.

E. L. Newcomb

E. L. Newcomb

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Library
FEB 14 1955

February 11, 1955

Memorandum

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

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

Subject: Field Team Report on DMEA-3619, Young & McKinney, Applicants (mica)

Transmitted are four copies of the subject report with six extra copies of the map attached. The Field Team is in agreement with the recommendations set forth in the report.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
2-18-55
(DATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

ON

DMEA-3619, WOODY HILL MINE (mica)
Mitchell County, N. C.

BY

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

February 3, 1955

DMEA CATALOGING COMPLETED
2-18-55
(date)

DEFENSE MINERALS EXPLORATION

FIELD EXAMINATION REPORT
On

DMEA-3619, WOODY HILL MINE (mica)

Applicants: McKinney and Young, c/o Howard McKinney, BX.141, Bakersville, N.C.

No pegmatite in place is exposed at this depost. Dump material contains small mica of excellent quality. Very little country rock occurs in the dump, suggesting that the pegmatite is probably in excess of 5 feet in thickness. The examiners agree with the applicants that exploration appears justified. The program as proposed in the application, with minor changes, is recommended - in stages.

An attempt was made to examine the deposit on January 20, 1955. Heavy snow at that time concealed everything. The deposit was examined on February 3, 1955. Messrs. Howard McKinney and Ralph Young accompanied the examiners on the inspection which required two hours.

The Woody Hill Mine is on the north side of N. C. Highway No. 26, 1.56 airline miles S. 9° E. of Bakersville, Mitchell County, North Carolina. It is on a ridge about 200 yards from the highway. There is no access road from the highway to the mine.

Both applicants appear to be competent to conduct the proposed work. Area covered by their lease is adequate.

There are no surface facilities on the property. A short access road, toolhouse, and magazines will be needed if Stage 2 is undertaken.

Most of the information regarding the extent of old workings is of a hear-say nature. One of the shafts is reported to be 135 feet deep, but the size of the dump from this shaft does not seem to be large enough to account for such a depth. The attached sketch shows the general relationship between the various openings. The extent of underground stopes and drifts are not known but are probably limited.

Exposures are poor in the general area of the mine. Both shafts were apparently sunk entirely in pegmatite. Biotite gneiss wall rock is exposed. Its foliation trends N. 45° E. and dips 60-70° SE. The pegmatite is probably conformable, being a sill-like body with a thickness up to 5 feet. Dump material consists of unweathered pegmatite. It is composed of plagioclase, blocky perthite, graphic intergrowth of perthite and quartz, small lenses and pods of quartz, muscovite, biotite, and red garnet, listed in order of abundance. No information is available regarding possible zonal characteristics of the pegmatite, although the mica

appears to be closely associated with the plagioclase.

All mica found in the dump is small. It is hard, clear, flat, ruby-colored and free splitting. The mica is of strategic quality.

We have no information on the history of this mine. Apparently it has been worked at various times over a considerable period.

The examiners believe that exploration assistance is justified. We do not think that an attempt should be made to re-open the old works or to sink a new shaft that would go deeper than the caved shaft. Instead, we recommend that an effort be made to uncover the extension of the pegmatite, both northeast and southwest of the present openings. If no pegmatite is found at either place, further work should not be considered. However, if pegmatite is exposed at either place, a 60-foot shaft should be sunk on the pegmatite at the most promising place. A total of 80 feet of drifts should be driven from the shaft.

Estimated Cost:

Stage I.

Cut two trenches 100' x 15' x 6' along the possible extension of the pegmatite. One to be northeast and one southwest of the existing workings.

Bulldozer, 20 hrs. @ $10/hr.		$ 200.00
<u>Stage II</u>		
Construct 200 yards of access road		
Bulldozer, 10 hrs. @ $10/hr.		100.00
Construct toolhouse		75.00
" powder magazine		25.00
" exploder "		13.00
Sink 60-foot 5' x 7', timbered shaft on pegmatite (40) shifts.		
<u>Labor:</u>		
1 - miner @ $1.50/hr.	$480.00	
1 - hoistman @ $1.25/hr.	400.00	
1 - Laborer @ $1.00/hr.	320.00	
<u>Equipment (rental)</u>		
Compressor and drill @ $22/Mo.	440.00	
Hoist @ $50/Mo.	100.00	

Supplies:

Explosives	$150.00	
Gasoline and oil	115.00	
Drill steel	100.00	
Timber, 4000 b.f. @ $65/M	260.00	
Small tools & pipe	175.00	
Miscellaneous	60.00	
Insurance & Social Security	100.00	$2,700.00

Drive 80 feet of drift (40 shifts)

Labor:

1 - miner @ $1.50/hr.	480.00
1 - hoistman @ $1.25/hr.	400.00
2 - laborers @ $1.00/hr.	640.00

Equipment (rental)

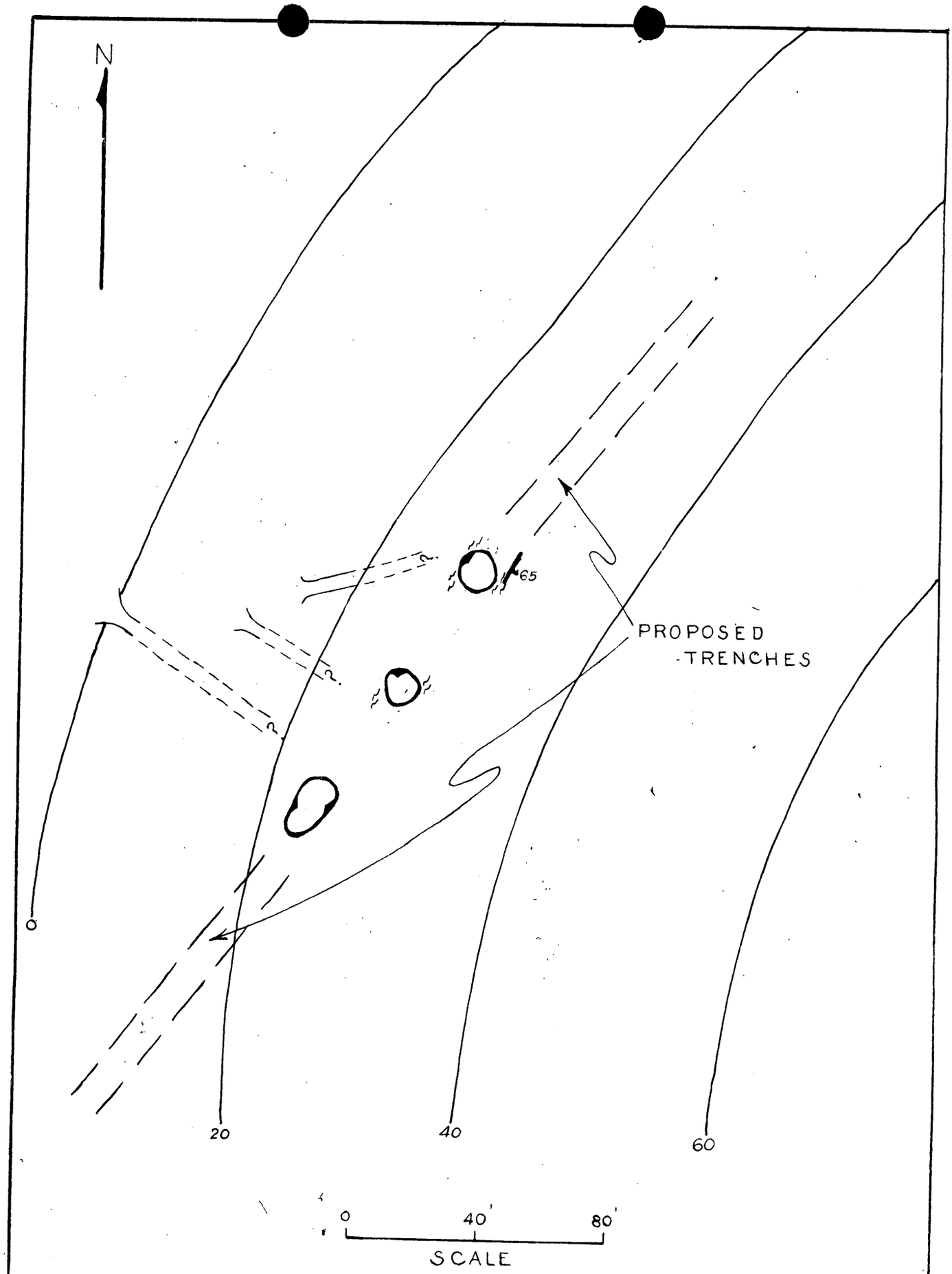
Compressor, pump, jackleg & drill @ $250/Mo.	500.00

Supplies:

Explosives	250.00	
Gasoline and oil	150.00	
Drill steel	100.00	
Small tools and pipe	75.00	
Miscellaneous	80.00	
Insurance & Social Security	125.00	$2,800.00
Estimated total cost		$5,913.00

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

February 3, 1955



SKETCH OF
WOODY HILL MINE
MITCHELL CO., N.C.

DMEA-3619 (mica)

DOCKET FILE
Surname:
Anderson
Houk
Selfridge
Johnson

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

600

JAN 28 1955

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

Subject: Docket No. DMEA-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

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

We are returning one copy of the lease and six copies of the Owner's Consent to Lien, as they do not contain an adequate legal description of the land involved in the application. If a contract is recommended, please have the applicants write in and sign on the backs of these documents the desired land description. This must be a legal description that gives the bearings and distances of the lines which enclose the property to be explored. The property must be referenced to a permanent and identifiable landmark, natural or artificial, as a center of a shaft, adit, building, benchmark, etc.

Copies of memoranda from the Geological Survey, dated January 5, 1955, and from the Bureau of Mines, dated January 26, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

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

Enclosures 11

WCAnderson:ad 1/27/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

DOCKET FILE
Surname:
Anderson
Houk
Hedges
Newcomb
Selfridge
Johnson

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

600

JAN 28 1955

Mr. Howard McKinney
P. O. Box 141
Bakersville, North Carolina

Re: Docket No. DMEA-3619 - Mica
McKinney and Young
Woody Hill Mine
Mitchell County, North Carolina

Dear Mr. McKinney:

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 V, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

Please be advised the lease and Owner's Consent to Lien attached to your application do not contain an adequate legal description of the property you wish to have explored. The processing of your application cannot be completed until such information is furnished, written on the lease and the Owner's Consent to Lien.

The Regional Office will contact you at an early date if an examination is to be made, at which time they will advise you concerning an adequate land description. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ad 1/20/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.G.

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

Defense Minerals Administration
RECEIVED
JAN 26 1955

January 26, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3619 (mica)

Applicant: McKinney and Young

Name and Location of Property: Woody Hill Mine
Mitchell County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fertilizer Mtls.: 1/3/55

Comments:

1. This deposit appears to have possibilities for the development of strategic mica.

2. It is questionable if the construction of a new shaft is better than rehabilitation of the existing 135 foot shaft.

3. Applicant has listed proposed expenditures totaling $3,900.75.

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

IN REPLY REFER TO:

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

DEPARTM
Defense M

JAN - 6 19

January 5, 1955

Re: DMEA-3619
McKinney & Young
(Woody Hill Mine)
Mitchell Co., N. C.
$3,901 - Mica

Memorandum

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

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

Subject: Review of application

The operator has proposed a project involving removal of overburden from an area 30 feet wide and 150 feet long to expose a pegmatite along the trend of old workings. This work will be followed by sinking a shaft 100 feet at the most favorable location on the exposed pegmatite.

Considerable past production is reported by the applicant to have been mined during the Colonial Mica Corporation program of the war years.

We do not have any information in our files on the Woody Hill mine. However, pertinent data probably is available in the Survey files at Knoxville.

A staged project may be warranted on this property which would allow stripping work as Stage I and the underground work as Stage II. Although a shaft 100 feet deep may be warranted, some provision probably should be made for a limited amount of drifting. Unless the shaft were to follow a mica-bearing zone all the way down, it would not be good exploration practice to limit exploration to the sinking of a comparatively deep shaft.

I recommend this application be referred to the Field Team for their review and recommendations.

E. L. Newcomb

E. L. Newcomb

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 205 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON, D.C.

RECEIVED

January 10, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3619, McKinney, Black, Guy and Young. Woody Hill Mine. (mica) Mitchell County, N. C. MF-203

Transmitted are two copies of MF-203, to be attached to the subject application which was mailed your office on December 29, 1954.

Please note the mailing address has been changed to: Mr. Howard McKinney, P.O. Box 141, Bakersville, North Carolina.

Robert A. Laurence

Robert A. Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED

December 29, 1954

Memorandum

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

From: Executive Officer, DMEA, Region VII

Subject: McKinney and Young (mica), Woody Hill Mine

Enclosed herewith are four copies of the Owner's Consent to Lien to accompany the subject application. We are asking the applicant to supply the other two.

Robert A. Laurence

Robert A. Laurence

Enclosures 4

December 31, 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-3619 McKinney & Young (dba)

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

December 31, 1954

McKinney & Young (dba)

Bakersville, N. C.

Subject: DMEA-3619
Re: Exploration Assistance
Woody Hill Mine

Gentlemen:

The receipt of your application dated December 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-3619 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
WASHINGTON 25, D. C.
ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 27 1954

December 23, 1954

Memorandum

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

From: Executive Officer, DMEA Field Team, Region VII

Subject: Application from McKinney & Young, Bakersville, N. C.
Woody Hill mine, Mitchell County, North Carolina (mica)

Enclosed are three copies of the subject application received today in this office, and one copy of the lease. We are keeping the fourth copy for our use.

We gave the applicant copies of the Owner's Consent to Lien, but it is our understanding that they had to be sent to Little Rock, Arkansas, for one of the signatures. We have reminded the applicant that they are needed, and we will forward them as soon as they are received.

It is our understanding that the equipment items listed under 6 (d) are owned by Ralph Young and are to be rented to the partnership.

Robert A. Laurence
Robert A. Laurence

Enclosures 4

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
DEC 27 1954

December 23, 1954

Memorandum

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

From: Executive Officer, DMEA Field Team, Region VII

Subject: Application from McKinney & Young, Bakersville, N. C.
Woody Hill mine, Mitchell County, North Carolina (mica)

Enclosed are three copies of the subject application received today in this office, and one copy of the lease. We are keeping the fourth copy for our use.

We gave the applicant copies of the Owner's Consent to Lien, but it is our understanding that they had to be sent to Little Rock, Arkansas, for one of the signatures. We have reminded the applicant that they are needed, and we will forward them as soon as they are received.

It is our understanding that the equipment items listed under 6 (d) are owned by Ralph Young and are to be rented to the partnership.

Robert A. Laurence

RAL/mg
Enclosures 4

cc
Beck
Lynch
Files
Operating Committee

MF-103
(Revised April 1952)

Original

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 27 1954

Form Approved
Budget Bureau No. 42-R1085.2.

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

Not to be filled in by applicant

Docket No. 3619
Metal or Mineral MICA
Date Received
Estimated Cost $3,901
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: Howard McKinney, Bakersville, North Carolina. (Partnership
Ralph Young, Bakersville, North Carolina)
Doing business under firm name of:
McKinney & Young, Bakersville, 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 A tract of land containing (2) acres more or less in Bakersville Tp, Mitchell County, State of North Carolina and known as Woody Hill Mica Mine property located approximately (2) miles South of Bakersville, N.C. Just off State Highway # 26.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise
Lessors of property (see Mineral Lease attached hereto)

(*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 hereto

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

(*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.

(*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 corundum (ruby type)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other Labor

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 21st, 1954

Mahaney & Young (partnership)
(Applicant)

By Ralph Young
Supervisor of project

Lakeraville, North Carolina.

RFD 1 Box 155

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

Re: Appl[illegible]ation for Mining Loan
McKinney & Young,
Bakersville, N.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 27 1954

SUPPLEMENT INFORMATION TO FORM MF-103

Paragraph # 4. Physical Description of Project. (a) The mica property known as the "Woody Hill Mica property" probably dates back some 50 years. During this period of time, several shallow pits have been opened along the run of the vein the deepest pit being about 30 feet deep and averageing about 8 to 10 feet across top. Contact with the main mica vein was made in all these pits and considerable mica recovered of good grade ruby type mica. During World War 11, a shaft was sunk to a depth of about 135 feet and considerable mica recovered and sold to Colonial Mica Company. It is reported that trimmed sheets 3" X 4" and better was mined and sold. There are also 3 tunnels drove into the vein but as these are old works and the tunnels are now caved in, no data is available on production from these old works. The 135 ft shaft worked during World War 11 has fell in and is choked fromtop to bottom and contact with vein is not available by this shaf any longer. The prospect is located on the west side of a ridge and is read accessable being only about 200 yards off N.C. State Highway # 26.

(b)-- There is no current operation. All production data prior to World War 11 was gained from old miners who operated the pits. According to their reports, considerable mica of good grade and size was recovered. It is not known the exact amount of mica mined and sold from the 135 ft shaft during World War 11 except that it ran into several hundred dollars in value. The mica sales record from this shaft are on file with Dept of Interior and are a part of the Colonial Mica Company's report, World War XXX 11. The last operators were Brown McKinney & B.B. Burleson. Bakersville, N.C.

(c)--All past operations, 3 pits, 3 drifts and 1 shaft 135 ft deep were sunk in the main pegmatite body that runs North 20' East and South 20' West. The main pegmatite body is reported to be 6 to 8 feet in the 135 ft shaft. There is a quartz core averageing 12" to 16" in thickness which lys near and running with lower or footwall slate. Several smaller layers of quartz are intermingled with the feldspar layers. Some kaolin pockets are present in xxx small pod formations. These ly near both footwall and hanginwall slates. The feldspar will run high in soda. The mica vein pitches to the South-Southeast on an angle of about 20 to 25 degrees although in the 135 foot shaft the vein rolled sharply at different times to higher degrees for short distances. Muscovite mica (ruby) is the sole production available from the project of commercial value. The Mica is hard and clear and practically fre from defects such as iron, clay stain, reeves ects.

(d)-- The project is about 200 yards east of N.C. State Highway # 26, that runs from Spruce Pine to Bakersville, N.C. It is located on the west side of a ridge running parsell with the highway. Machinery & equipment can be transported to mining site via a private road owned by another property owne A proposed road could be graded out by bulldozer over the mining property from the mining site to Highway # 26. This proposed road would bee about 300 yards long. Estimate for this road work is included in Application under paragraph # 6-(h) Contingencies. The project is located approximately 4 miles from R.R. shiping point located at Toecane, N.C. on Clinchfield Ry. Project is 10 miles from Govt. Mica Buying Depot located at Spruce Pine, N.C all points reached via paved roads, N.C. Highways # 26 & 80.

Re: Application for Mining Loan
McKinney & Young,
Bakersville, N.C.

SUPPLEMENT INFORMATION TO FORM MF-103 (con.)

4-(e). Manpower for the successful operation of the mica project can be readily secured in experienced mica & feldspar miners living in the near vicininty of the proposed project. All necessary materials for the proper operation of the project are already on hand or readily available at Spruce Pine, N.C. 10 miles distance from project. Supplies & equipment are all available or already on hand. Ample supply of water and electricity are available. There is a high tension power line within 200 yards of project.

Paragraph 5. Exploration Project. (a) Muscovite Mica (ruby) flat & hard of good quality & quanity.

(b)-- The proposed mica exploration would incur: (1) Excavation of surface from over the main vein by means of a bulldozer. The surface would be removed from a space approximately 30 feet wide by 150 feet long over and with the run of the vein to a depth of from 20 to 30 feet and thus expose the mai body of pegmatite along a line where the 3 pits & 3 drifts were worked years ago by hand method. (2) Sink a new shaft 5' X 7' at a point along the exposed vein to a depth of 100 feet which would bring the bottom of the new proposed shaft to the approximate level of the old 135 ft shaft worked during World War 11. As several contacts was made with the main pegmatite body in all the 3 old pits and also the 3 old drifts and good mica recovered from al contacts so made in these old works, it is reasonable to beleive that a shaf driven between the old works and the 135 ft World War 11 shaft would contact the main pegmatite body and produce mica of commerical value in quanity. see rough sketch of proposed project attached heretc.

(c)-- The lessors are prepared to start operation of project within 30 days from approval date of loan. The Exploration would cover a period of (12) weeks of 40 hours per week or 480 working hours per man.

(d)---No one employed on this project would have less than 3 years actual experience in mica & feldspar mining. Mr. Ralph Young, as Supervisor of Project has had over 15 years experience in this class of mining. This section of State has hundreds of experienced mica miners available for hire and no one but experienced men would be employed on the project.

Paragraph # 6. Estimate of Costs. (a) NONE.

(b) Itemized Schedule of labor-------		40 HR. WEEK	480 HR. PERIOD
(1) Supervisor of Project,	@ $ 1.50 per hr.	$ 60.00	$ 720.00
(1) Drill Operator,	@ $ 1.25 " "	50.00	600.00
(1) Hoist Operator,	@ $ 1.25 " "	50.00	600.00
(2) Muckers, each	@ $ 1.00 " "	80.00	960.00
5 Man Crew		$240.00	$ 2,880.00

(c)---Equipment to be Purchased.		
(1) 60 HP Power Unit,	@ $ 600.00	$ 600.00
(1) 50 ft. section air hose @	25.00	25.00
(2) Runs--(8 pieces) Tungsten Drill Steels @ $ 75.00 ea.		150.00
		$ 775.00

Re:Application for Mining Loan
McKinney & Young
Bakersville, N.C.

SUPPLEMENT INFORMATION TO FORM MF-103, (con)

Paragraph 6 (d) Operating Equipment---(Rental Basis)	4 WEEKS MONTHLY	12 WEEK PERIOD
(1) # 105 I.R. Air Compressor	$ 125.00	$ 375.00
(1) Single Drum Gas Hoisting Engine	35.00	105.00
(1) # 68. I.R. Jackhammer Drill	50.00	150.00
(1) 2" Dis. Sump Water Pump.	20.00	60.00
300 Lft. 1/2" wire cable.	10.00	30.00
300 Lft. Galvanized 1 & 2" pipeing for air line	10.00	30.00
(1) Electric Blasting Box & leadline	10.00	30.00
	$ 260.00	$ 780.00

(e) NONE.

(f)-- (1) Tool & Machinery House 10' X 12' rough @	$ 100.00	$ 100.00
(2) Magazines for explosives @ $ 16.00 ea.	32.00	32.00
	$ 132.00	$ 132.00

(g)-- NONE

(h)--Contingencies . (Expense for items not heretofore listed)

40 Hours Bulldozer Service (Excavation) @ 10.00 per hr.	$ 400.00
480 Gals. Gasoline for machinery @ $ .23 per gal.	110.40
3 cases Motor Oil @ $ 4.80 per case	14.40
5 cases, (250 lbs.) 40 % Dynamite @ $ 14.00 per case	70.00
6 Boxes 6 ft. electric Blasting Caps @ $ 6.60 per Box	39.60
	$ 634.00

Note: The 40 hr. Bulldozer service encludes excavation of surface off mica vein & building of 300 yds of new road.

RECAPITULATION OF PROJECT ESTIMATE

Estimated Total Cost of Mining Project.	$ 5,201.00
Less Operators Share @ 25% of Project Cost	1,300.25
Total Amount of Loan Solicited from Govt.	$ 3,900.75

Above Estimates based on a working period of (12) weeks or 480 working hours per man.

Operators 25% of project to be furnished by Operating equipment listed in Paragraph # 6 (d) (Rental) and sufficient labor costs to cover the deficit of $ 520.25 balance due after the $ 780. 00 is credited for operating equipment furnished.

Respectfully Submitted,
Ralph Young
Ralph Young
Project Supervisor
Bakersville, N.C.

Filed for Registration on the 18 day of Dec 19~~54~~ at 11:05 o'clock A M., and Registered in the office of the Register of Deeds for Mitchell County, N. C. this 22 day of Dec 1957 at 8:45 o'clock A M., in Book 16 of Deeds, on Page 25 etc.

Bill Masters
Register of Deeds

RECEIVED
FEB 21 1958

NORTH CAROLINA

MITCHELL COUNTY

I, R. P. Greene, C. S, C. do hereby certify that F. A. Black this day personally appeared before me and acknowledged the due execution of the annexed Lease. Let the instrument with this certificate be registered

Witness my hand and official seal, this the 14 day of December, 1954

R. P. Greene
C. S. C.

NORTH CAROLINA
AVERY COUNTY
~~MITCHELL COUNTY~~

I, Georgia S. LaBarbera, a Notary Public in and for said County and State do hereby certify that E. C. Guy this day persobally appeared before me and acknowledged the due execution of the annexed Lease.

Witness my hand and Notaril Seal, this the 16 day of December, 1954

Georgia S. LaBarbera
Notary Public

My Commission Expires: MY COMMISSION EXPIRES APRIL 23, 1956

BEGINNING on a Black Gum on top of a ridge and runs South 33 degrees East 393 feet to a Chestnut in W. M. McKinney's line; thence South 48° East 271 feet with said McKinney's line to a poplar; thence South 378 feet to a stake, E. L. Johnson's (Parley) Burleson's corner); thence South 42° West 475 feet with said E. L. Johnson's (Parley Burleson's) line to a stake in the State Highway; thence North 22° West with said road 200 feet to a stake in said road; thence North 65° West 450 feet to a stake in said road; thence North 15° West with the meanders of said State Highway 200 feet to a stake; thence North 35° East with the said road 350 feet to a stake in said road; thence North 5° East with said road 224 feet to a stake in said road; thence North 55½° East with C. E. Greene's line 282 feet to the BEGINNING corner. (Being the Black Gum corner between W. M. McKinney and C. E. Greene) Containing 13½ acres more or less.

By: F. A. Black
F. A. Black

By: Howard McKinney
Howard McKinney

By: E. C. Guy
E. C. Guy

By: Ralph L. Young
Ralph Young

STATE OF NORTH CAROLINA Mitchell County.

The foregoing certificate of Georgia S. LaBarbera a Notary Public of Mitchell County, State of North Carolina, is adjudged to be correct. Let the instrument, with the certificates, be registered.

Witness my hand and official seal, this 18 day of December, A. D. 19 54

R. P. Greene
Clerk Superior Court.

DEPARTMENT OF
Defense Minerals
RECEIVED
DEC 27 1954

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 14th day of December, ~~1953,~~ 54

between E. C. Guy of Avery County and F. A. Black of M

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Howard McKinney and Ralph Young

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, 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~~ two 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:

and in Bakersville Township and being the tract of land lying and being on the Woody Hill and adjoining the lands of Mrs. W. M. McKinney, Clarence Young, Parley Burleson and State Highway #26, and being the tract of land conveyed by Paul McKinney to Wade McKinney

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 parties of the first part, or his or their heirs or assigns, a rental royalty of one-eighth of the selling price of mica, Said royalties to be divided between E. C. Guy, F. A. Black and Wade McKinney, each to receive one-third of the Royalties 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~~ two 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~~ two 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 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 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 lessors. 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.

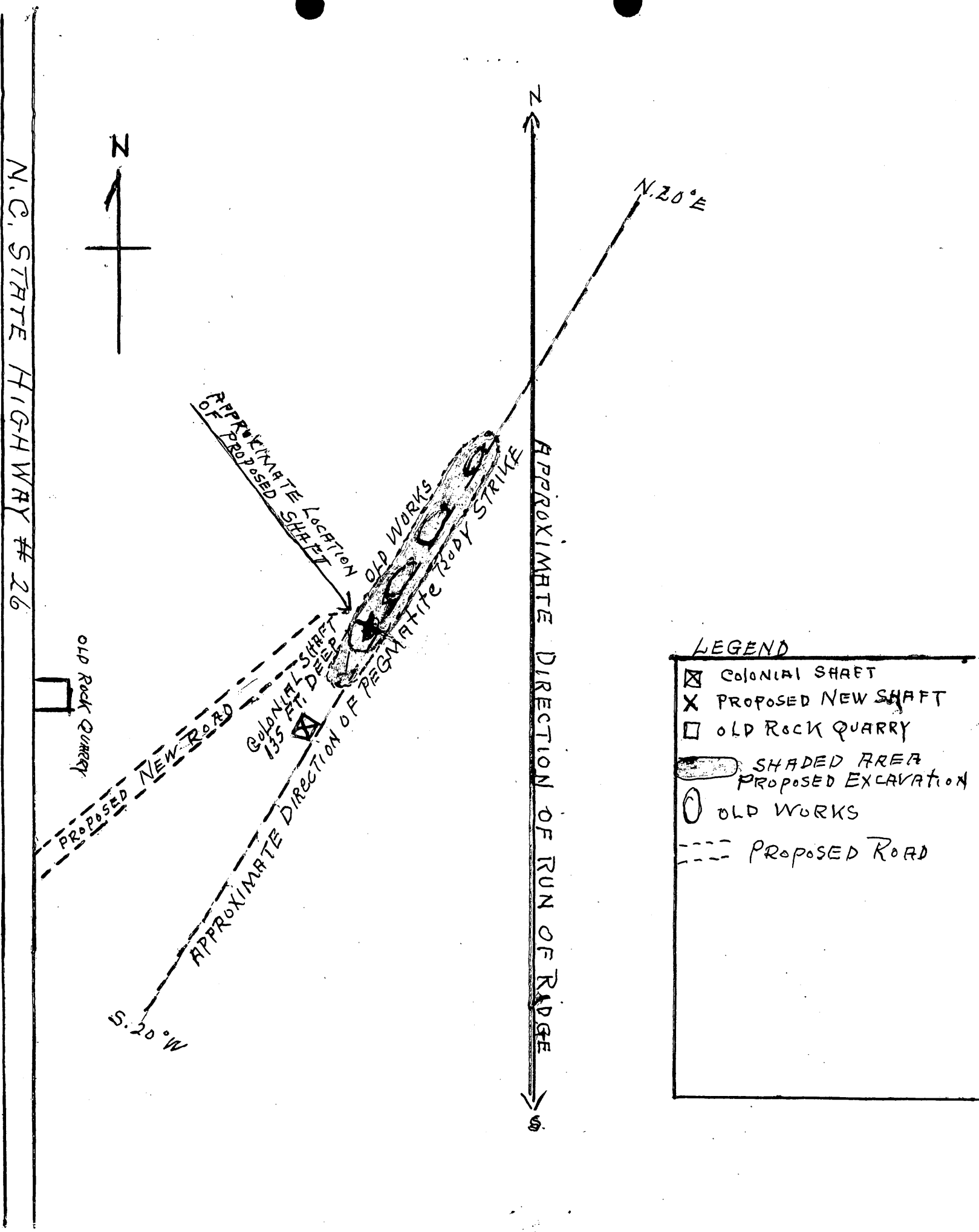
WITNESS our hands and seals the day and year first above written.

Witness:

F. A. Black (Seal)

E. C. Guy (Seal)

Howard McKinney (Seal)


N.C. STATE HIGHWAY # 26
N
N
N.20°E
APPROXIMATE DIRECTION OF RUN OF RIDGE
S
APPROXIMATE LOCATION OF PROPOSED SHAFT
OLD WORKS
APPROXIMATE STRIKE OF PEGMATITE BODY
COLONIAL SHAFT 135 FT. DEEP
OLD ROCK QUARRY
PROPOSED NEW ROAD
APPROXIMATE DIRECTION OF PEGMATITE
S.20°W
LEGEND
COLONIAL SHAFT
PROPOSED NEW SHAFT
OLD ROCK QUARRY
SHADED AREA PROPOSED EXCAVATION
OLD WORKS
PROPOSED ROAD

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

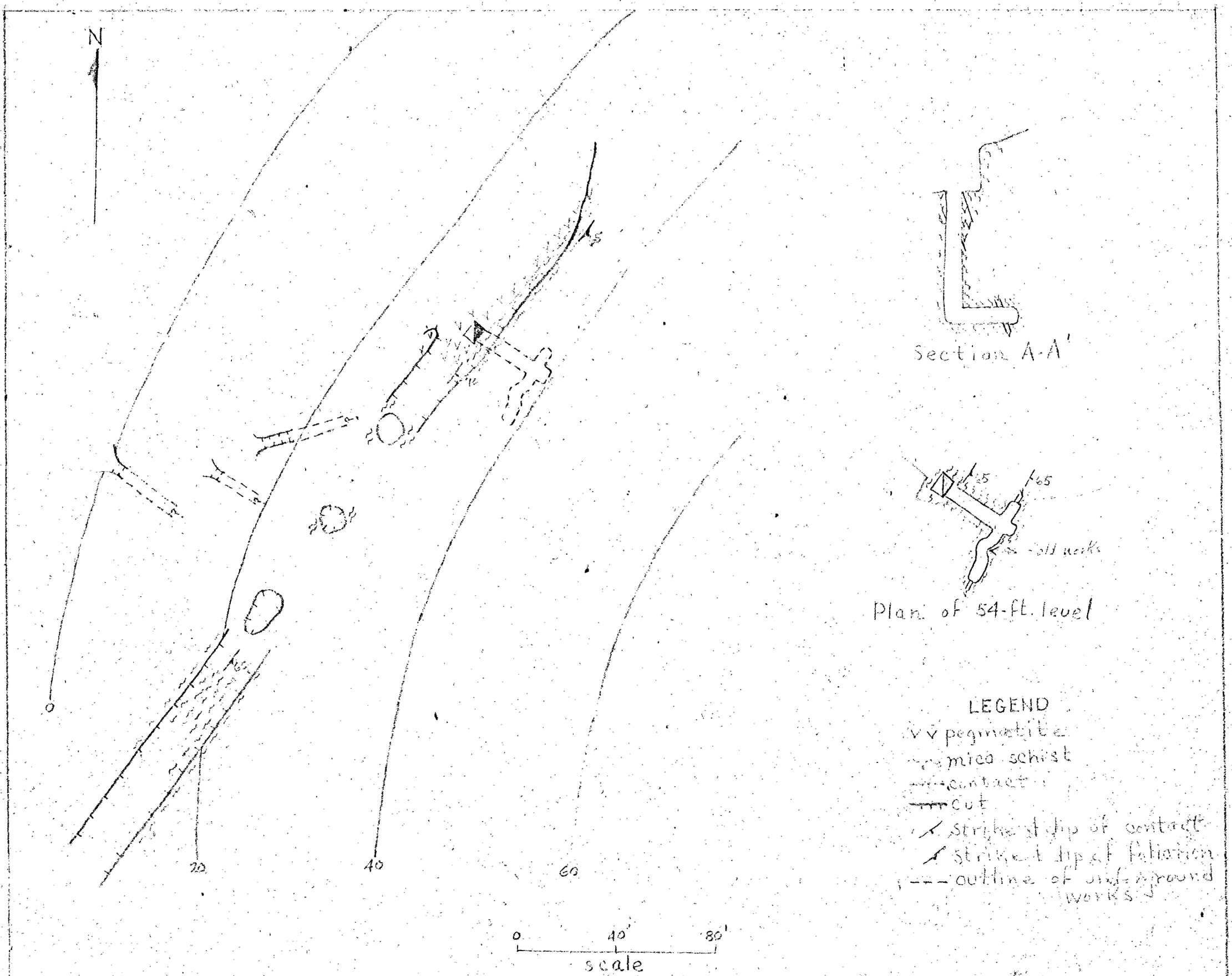
OFFICIAL BUSINESS

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

30 CENTS 30
TENN.

KNOXVILLE
DEC 8
5 PM
1954
TENN.

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



SKETCH OF
WOODY HILL MINE
MITCHELL CO., N.C.

DMEA-3619(mica)
Aug. 9, 1955