DMEA 3682

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	2/14/55
2	CONTRACT	DATE	6/3/55
3	TERMINATION AGREEMENT	DATE	
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5	AUDIT REPORT	DATE	
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Docket Copy

RECEIVED
JUN 13 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 3682

Commodity Mica

Contract No. Idm-E 806

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

It is agreed this 3rd day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] E. A. Ellis and Lin Carpenter, partners,

whose mailing address is c/o E. A. Ellis
Spruce Pine, North Carolina,
hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before JUL 15 1955 shall commence the work, and on or before November 15, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,688.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $2,766.00: *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

R. A. ELLIS AND LEO CARPENTER
(Operator) (partners)

By O. Mitterdorf
Administrator, Defense Minerals Exploration Administration

Author
Hoffman
"Appd. Sol. Off."
Hoff
Chamberlain
Hook

By Leo Carpenter
(partner)

By R A Ellis
(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]

Selfridge
R J Anderson

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

RECEIVED
JUN 13 1955

EXPLORATION PROJECT CONTRACT
E. A. ELLIS AND LIN CARPENTER
DOCKET NO. DMEA-3682

ANNEX I

The land referred to in Article 2 of the Contract is described as follows:

Beginning on a double poplar running thence North 11 degrees West 245' to a stake; thence North 37 degrees West 170' to a triple poplar; thence North 80 degrees East 528' to a stake; thence South 40 degrees East 245' to a stake in the branch; thence up with the said branch South 41 degrees West 363' to a stake; thence leaving the branch running South 85 degrees West 200' to a stake; thence North 77 degrees 30 West 100' back to the beginning. Containing four and one half acres (4½).

EXPLORATION PROJECT CONTRACT
E. A. ELLIS AND LIN CARPENTER
DOCKET NO. DMEA-3682

RECEIVED
JUN 13 1955

EXHIBIT "A"

Description of the Work

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

Stage I

With a D-4 bulldozer or equivalent, cut a trench, 25 feet wide and 6 feet deep, along the strike of the pegmatite for a distance of not more than 100 feet.

The approximate location of the trench is shown on the sketch entitled, "Sketch of Cook or Rube Sparks Mine, DMEA-3682 (mica)" attached hereto and made a part hereof.

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

Stage II

1. Construct the following:

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

   An exploder magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

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

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 lumber; 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 jar-proof lock.

2. Sink a 75-foot, 2 compartment shaft, in the pegmatite at a point agreed upon between the Government and the Operator. The shaft shall be timbered as necessary, and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

FIXED UNIT COSTS

Stage I

Bulldoze 20 hours @ $10.00/hr.	$ 200.00	
		$ 200.00

Stage II

Construct:		
Toolhouse 1/	$ 75.00	
Exploder magazine 1/	13.00	
Powder magazine 1/	25.00	
Sink 75 feet of shaft @ $45.00 per foot	3,375.00	
Estimated Total Cost of Stage II		$3,488.00
Estimated Total Cost of Project		$3,688.00
Government participation @ 75%		$2,766.00

1/ The completed work constitutes the unit.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 16 1955

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

CONSENT TO LIEN

RECEIVED
JUN 13 1955

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/

Beginning on a double poplar, running thence north 11 degrees west 245' to a stake; thence north 37 degrees west 170' to a triple poplar; thence north 80 degrees east 528' to a stake; thence south 40 degrees east 245' to a stake in the branch; thence up with the said branch south 41 degrees west 363' to a stake; thence leaving the branch running south 85 degrees west 200' to a stake; thence north 77 degrees 30 west 100' back to the beginning. Containing four and one half (4½) acres.

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

NONE

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this 12th day of May, 1955.

E A Ellis [Seal]

J E Ellis [Seal]

_____ [Seal]

I, _____ certify that I am the _____ _____ (Secretary, etc.) of the corporation named herein; that _____ _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

DOCKET COPY
Surname:

Hopkins
Chambers
Selfridge
Johnson

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

MAY 11 1956

Messrs. E. A. Ellis and Lin Carpenter
c/o Mr. E. A. Ellis
Spruce Pine, North Carolina

Re: Docket No. DMEA-3682-mica
E. A. Ellis and Lin Carpenter
Ellis and Carpenter
Rube Sparks Mine
Mitchell County, North Carolina
Contract No. Idm-E806

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ms 5/10/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File
E. A. Ellis) land owners
F. E. Ellis) (Copies to Field Team for forwarding)

R.G.L.

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

May 10, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3682-mica
Contract No. Idm-E806
Rube Sparks Mine
Mitchell County, North Carolina

Operators: E. A. Ellis and Lin Carpenter
Spruce Pine, North Carolina
Operators' Property Rights:
Lessees of the mineral rights of the Rube Sparks Mine

2. Contract: dated June 3, 1955
a) Work Authorized:

Stage I	
Trench excavation	$ 200.00
Stage II	
New Buildings	113.00
Shaft Sinking 75 feet @ $45.00	3,375.00
Estimated Total Cost	$3,688.00

b) Amendments: none
c) Work Completed:

Trench excavation	$ 200.00

Work began June 30, 1955.
Work completed July 2, 1955.
Final Field Team Report September 16, 1955.
Final Operators Report waived (September 16, 1955).

3. Audit: Report of Review - dated September 26, 1955

Total Cost as billed by Operator	$ 200.00
Exceptions	none
Total Accepted Cost	$ 200.00
Government participation @ 75%	$ 150.00

4. Certification of Discovery - none issued

5. Comments:

The Rube Sparks Mine had a production valued at $8,000.00 during World War II.

The main workings consisted of a 95-foot shaft with subsequent drifts and stopes.

5. Comments(continued)

The project was set up to attempt to explore an extension of the pegmatite by first trenching along the strike from the old workings.

Trenching conducted under this contract failed to disclose an extension of the mica-bearing zone previously worked or any new zone; therefore, the work was terminated at the conclusion of Stage I.

This entire area is underlain by Alaskite and pegmatite with narrow bands of north-trending mica schist. The Trench is entirely in Alaskite and Coarser pegmatite. The pegmatite appears as pod-like lenses and contains coarse potash-feldspar, scattered small quartz, and lenses of quartz, green muscovite and scattered garnet.

Mica recovered during the project was 4,000 lbs. and sold for $580.75. Royalty of $28.84 has been paid.

There are no mica reserves.

The project was terminated after completing the trench because it was apparent that a significant discovery was not within the realm of a possibility and no further work was warranted.

The Field Team recommends that no certification of discovery be issued.

The Nonmetallic Minerals Division concurs in the recommendation.

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

James Hopkins
Nonmetallic Minerals Division

DOCKET COPY
Surname:

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

Hopkins
Houk
Chambers
Selfridge
Matthews

MAR 23 1956

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

Dear Mr. Laurence:

Reference is made to the following uncertified projects which have been completed or terminated, but no closing letters can be written because of incomplete information on the production and the royalties which may be due the Government:

Docket No. DMEA-	Contract No. Idm-	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification Period (6 mos. from date Final Report)
3575	E776	1000 lbs.	$539.86	$26.98	$26.98	Feb. 8, 1956
3682	E806	few hundred pounds.	?	?	None	Mar. 26, 1956
3728	E824	100 lbs.	$150.00	$ 7.50	$ 7.50	Mar. 26, 1956
3611	E785	about 800 lbs.	?	?	None	Apr. 4, 1956
3877	E864	approx. 750 lbs.	$241.66	$12.08	$12.08	Apr. 31, 1956
3731	E815	about 300 lbs.	$156.20	$ 7.81	$ 7.81	May 17, 1956

In order to close out these contracts it will be appreciated if you will take whatever action you deem necessary for collection of the unpaid royalties. On these projects where royalties have been paid, please ascertain whether there has been, or whether there is likely to be, any production made between the time of the last royalty payment and the end of the period in which certification may be made.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

JHopkins:ms 3/20/56
Copy to: Docket(6)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk(6)
Mr. Hopkins
Admr. R. File

P.C.G.

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

RECEIVED
OCT 14 1955

October 14, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3682 (mica)

Applicant: E. A. Ellis and L. Carpenter

Name and Location of Property: Rube Sparks (Cook) Mine, Mitchell Co., N.C.

Contract Number: Idm-E 806

Date of Field Team Report: 9/16/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/3/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. No extension of the mica-bearing zone was disclosed.

2. Most of the small quantity of mica discovered was of poor quality.

3. Expenditures -

Total approved	$3,688.00
Total cost	200.00
Gov't. share of the cost	175.00
Value of production during operation	None

Recommendation: I concur with the field team's recommendation.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
OCT 5 - 1955

October 5, 1955

Re: DMEA 3682, Idm-E806
Ellis and Carpenter
Rube Sparks (Cook) mine
Mitchell Co., N. C.
$3,688.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report.

The information furnished by a long bulldozer trench costing $200 indicated to the examiners and the operator that further expenditure was not justified. The pegmatite explored occurs in alaskite in a mica-bearing zone previously worked. The mica revealed by the bulldozer is of poor quality. A few hundred pounds of mica was recovered but none was sold.

The contract was terminated by mutual agreement.

The examiners and the Field Team recommend that no certification of discovery be made.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED
SEP 28 1955

September 26, 1955

Mr. E. A. Ellis

Spruce Pine, N. C.

Re: DMEA-3682, Idm-8806 (mica)
Ellis & Carpenter
Rube Sparks Mine, Mitchell County, N. C

Dear Mr. Ellis:

As the results of Stage I of this contract indicate that the work proposed under Stage II is not justified, the contract is automatically terminated, and this letter will serve in lieu of the usual termination agreement.

We have already received and processed your final voucher. Because the narrative accompanying that voucher described the work of the entire project, we are accepting it in lieu of the usual final report.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

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

COPY

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

September 27, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Reports.

Transmitted are four copies each on the following:

DMEA-3801, Dave and Ray Wise (mica) Newland, N. C.

DMEA-3728, Walter and Lucian Grindstaff (mica) Bakersville, N. C.

DMEA-3814, C. R. Phillips and Brown Sparks (mica) Bakersville, N. C.

DMEA-3682, E. A. Ellis and Lin Carpenter (mica) Spruce Pine, N. C.

DMEA-3755, W. C. Crotts, Shelby, North Carolina (mica)

Operators final report has been waived on each of the above reports.

/s/ V. J. LYNCH
V. J. Lynch, Acting
EXECUTIVE OFFICER
DMEA REGION V

/s/ K. H. TEAGUE
K. H. Teague, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
10-3-55
(date)

RECEIVED
SEP 29 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION V

On

DMEA-3682 (mica) RUBE SPARKS (Cook) MINE
Mitchell County, N. C.

By

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

and

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

September 16, 1955

Reviewed by
DMEA OPERATING COMMITTEE
10-3-55
(date)

FINAL REPORT
On
DMEA-3682, RUBE SPARKS (Cook) MINE
Idm-E806.

RECEIVED
SEP 20 1955

Operator: E. A. Ellis and Lin Carpenter, c/o E. A. Ellis, Spruce Pine, N. C.

The Rube Sparks (Cook) Mine is 1.5 miles northwest of Spruce Pine, along the south side of the North Toe River, and about 0.6 mile southwest of Mimpro, Mitchell County, N. C.

Trenching conducted under this contract failed to disclose an extension of the mica-bearing zone previously worked or any new zone; therefore, the work was terminated at the conclusion of Stage I. No additional work is warranted, nor should a certification of discovery be issued.

The project began June 30, and was completed July 2, 1955 (Operator's narrative incorrectly gave the working dates as Aug. 15-17, 1955). A trench was cut by bulldozer, beginning at the north side of the existing open cut and extending 125 feet to the north. The cut is 17 feet wide and has an average depth of about 15 feet.

This entire area is underlain by Alaskite and pemgatite with narrow bands of north-trending mica schist. The trench is entirely in Alaskite and coarser pemgatite. Contacts between the two types are gradational. The pegmatite appears as pod-like lenses and contains coarse potash feldspar, scattered small quartz, and lenses of quartz, green muscovite, and scattered garnet. The mica is associated with the coarse potash feldspar.

About 90 percent of the mica is of very poor quality. It is Wedge "A" and badly stained. Also "flattened" garnet inclusions are numerous. A small amount of the mica is flat and clear, but constitutes an insufficient percentage to justify additional work. Mica recovered during the project amounted to a few hundred pounds, but was not removed from the property.

Expenditures:	(a)	Total approved	$3,688.00
	(b)	Total cost of project	200.00
	(c)	Government participation	175.00
	(d)	Government's share unexpended	2,591.00
	(e)	Value of production during opr.	none

The project was conducted in a satisfactory manner. No equipment was purchased for the project.

September 16, 1955.

K. H. Teague, Geologist
U. S. G. S.

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

Docket Copy
Surname:
Hopkins
F L Krause
Rubin
Selfridge
Nelson

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

SEP 22 1955

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

Subject: Docket No. DMEA-3682 - Mica
E. A. Ellis and Lin Carpenter
Ellis & Carpenter
Rube Sparks Mine
Mitchell County, North Carolina
Contract No. Idm-E806

Dear Mr. Laurence:

Reference is made to your memoranda of August 3, 1955, and September 14, 1955, requesting permission to terminate the subject contract by mutual agreement, effective July 12, 1955.

We concur with the Field Team's recommendation that the proposed work be terminated. However, in lieu of the termination by mutual agreement, we suggest you write a simple letter to the Operator explaining that since the results obtained from Stage I work do not justify additional work, the work described under Stage II of the contract will not be approved.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

JHopkins:gad 9/19/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

R.C.S.

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

RECEIVED
SEP 16 1955

September 14, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: DMEA-3682, Idm-E806 (mica) E. A. Ellis & Lin Carpenter, Oprs.
Rube Sparks Mine, Mitchell County, N. C.
Request for permission to terminate.

Reference: Our memorandum of August 3, 1955

As our field examiners did not give approval for Stage II, no work has been done at this project since completion of Stage I, on July 12. However, we have received no answer to our request for permission to terminate.

Therefore, we again request permission to terminate this contract by mutual agreement, effective July 12, 1955. Certification will not be recommended.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch

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

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

RECEIVED
AUG - 5 1955

August 3, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3682 (mica) Idm-E806. E. A. Ellis and Lin Carpenter. Rube Sparks (Cook) Mine. Mitchell County, N. C.

Stage I of the subject contract has been completed. As noted in the interim report of July 12, the field examiners selected a test-pit site as the beginning of Stage II. However, no work has been done on Stage II as the Operators, after thorough study of the mica recovered and exposed by Stage I, have concluded that the quality of the mica does not warrant further work. The field examiners (who were dubious about Stage II anyway, as indicated in the July 12 report) agreed with this conclusion.

Therefore, we request permission to terminate this contract, by mutual agreement, effective July 12, 1955. Certification will not be recommended.

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

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

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3682, Idm-E806 (mica) RUBE SPARKS (COOK) MINE

Operator: E. A. Ellis and Lin Carpenter, c/o E. A. Ellis, Spruce Pine, N. C.

Location: 1.5 miles northwest of Spruce Pine, along the south side of the North Toe River, and about 0.6 mile southwest of Minpro, Mitchell County, N. C.

T he starting date on this contract is June 30, 1955. Stage I of the contract has been completed, and consisted of cutting a single North-South trending trench 125 feet long, 17 ft. wide, and 12 to 20 ft. deep. The trench extends from an old shaft, as shown on the surface map accompanying the original examination report, and exposed alaskite, containing some pegmatite along both walls and the bottom of the cut. Approximately 100 pounds of grassy green, wedge "A", stained mica was recovered from the trench work. A few pieces of 2" x 3" mica that was flat, and clear of any stain, was observed.

The Operator is of the opinion, based on his previous experience during World War II, that sufficient mica can be produced from this locality to make this a paying mine. Exposed material by trenching under this program, does not indicate a proper location for shaft sinking. A test pit, not exceeding 25 feet in depth, was recommended at a point in the cut about 20 feet north of the head. If this pit does not show workable pegmatite, no further exploration should be attempted under contract.

Inspected: July 12, 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
WASHINGTON 25, D. C.
ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUN 13 1955

June 9, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E806, DMEA-3682, Ellis & Carpenter c/o E. A. Ellis, Spruce Pine, N. C.

Transmitted are three copies of the subject contract that have been signed by the partners. The usual distribution of the other copies has been made by this office.

Robert A Laurence

Robert A. Laurence

DOCKET COPY
Surname: Hopkins, Houk, Chamberlin, Jackson, Selfridge, Johnson

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

600

JUN - 3 1955

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

Subject: Docket No. DMEA-3682 - Mica
E. A. Ellis and Lin Carpenter
Ellis & Carpenter
Rube Sparks 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 fill in the starting date in Article 3 before the contract is signed by the Operators.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from E. L. Newcomb of the Geological Survey, dated May 3, 1955, and from W. F. Dietrich of the Bureau of Mines, dated May 9, 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

JHopkins:ad 6/1/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 10

R.C.S.

Rubin

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAY 25 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3682 (mica), Ellis & Carpenter, Mitchell County, North Carolina

There is attached hereto in proper legal form for execution a contract, covering the above-identified project, subject to execution of a Consent to Lien signed by E. A. Ellis and F. E. Ellis.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

HCRubin:gjb 5/24/55

Copy to: DMEA Docket
Sol. Docket
L. G. Houk
J. L. Hofflund
H. C. Rubin
Chron. File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

MAY 25 1955

Memorandum

To: The Administrator, DMEA
Attention: L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3682 (mica), Ellis & Carpenter, Mitchell County, North Carolina

There is attached hereto in proper legal form for execution a contract, covering the above-identified project, subject to execution of a Consent to Lien signed by E. A. Ellis and F. E. Ellis.

J. L. Hoffmund
Acting Assistant Solicitor,
Defense Minerals

DOCKET FILE
Surname: Hopkins Houk Johnson

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

MAY 1 0 1955

Ellis & Carpenter
C/o E. A. Ellis
Spruce Pine, North Carolina

Re: Docket No. DMEA-3682 - Mica
E. A. Ellis and Lin Carpenter
(Partnership)
Ellis & Carpenter
Rube Sparks Mine
Mitchell County, North Carolina

Gentlemen:

We are returning the four executed copies of Owner's Consent to Lien on the old form and enclosing six copies of the new form to be executed by the property owners.

When completed, kindly return the six copies to this office in order that we may continue processing your application.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 10

JHopkins:ad 5/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.G.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 10 1955

May 9, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3682 (mica)

Applicant: E. A. Ellis and Len Carpenter

Name and Location of Property: Rube Sparks Mine
Mitchell County, North Carolina

Date of Field Team Memo: April 13, 1955

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

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Subject application was recommended for denial on basis of Field Team Report dated March 10, 1955.

2. Memorandum dated April 13, 1955 from Field Team to Operating Committee, DMEA, furnishes additional information. It appears that no mica-bearing pegmatite exists south of the open cut but it is possible a mica-bearing dike occurs north of the open cut.

3. Field Team recommends a two-stage project. Stage I, trench to determine the existence of additional mica shoots. If Stage I is successful, stage II can be conducted.

4. Proposed plan of exploration should determine value of ground not previously mined but adjacent to a productive section.

5. From all indications, it is likely that the pegmatite dike may extend north.

Recommendation:

I concur with the field team recommendation to approve a two-stage project in the amount of $3,588.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

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

May 3, 1955

Re: DMEA-3682
E. A. Ellis and
L. Carpenter
(Rube Sparks Mine)
Mitchell Co., N. C.
$3,588 - Mica

Memorandum

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

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

Subject: Recommendation for approval of Field Team's proposed program

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

Stage I -- 100 foot trench
Stage II -- 75 foot shaft

Inasmuch as exploration has not been conducted north of the open cut and along the trend of the favorable pegmatite, the staged program appears to be warranted. If trenching results are unfavorable or inconclusive the Stage II work should not be carried out.

I recommend the two-stage project be approved for a contract.

E. L. Newcomb
E. L. Newcomb

600-Copy loaned to Mr. Merrill Room 5222 by Simon Hopkins

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

April 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Docket No. 3682 (mica) E. A. Ellis and Lin Carpenter (Partnership) Ellis & Carpenter. Rube Sparks Mine, Mitchell County, N. C.

Reference is made to a letter from the Operating Committee, dated March 18, 1955, on the subject application.

Only one mica shoot is known to occur on this property. The shoot which has been mined trends about due north, dips to the east, and plunges at a moderate angle to the south. As the shaft shown on the map which accompanied the examination report did not encounter any mica bearing pegmatite above the one mined, it is apparent that there is no need to explore the area south of the large open cut.

No prospecting has been conducted north of the large open cut. This cut apparently represents the outcrop of the mica shoot which has been mined. Outcrops are rare north of the open cut as the rock is deeply weathered. It is entirely possible that mica-bearing pegmatite occurs north of the cut. Relatively shallow trenches, made along the apparent trend of the pegmatite would determine the presence or absence of additional mica shoots in this area.

To test the possible presence of additional mica shoots north of the one previously mined, the following program of exploration is recommended:

(1) Cut a bulldozer trench 25' x 6' x 100' along the apparent trend of the pegmatite, beginning north of the existing slumped open cut.

(2) Sink 75 feet of shaft or incline on mica-bearing pegmatite, if results from (1) are favorable:

Estimated Cost:

Stage I.

Cut trench 25' x 6' x 100'

Bulldozer (D-6 or equivalent) 20 hrs. @ $10/hr. $200.00

(D-4)?

Stage II

Construct - toolhouse 75.00

Exploder Magazine 13.00

Powder " 25.00

Sink 75-foot, 5' x 7'; 2-compartment shaft,

timbered where necessary @ $45/ft. $3,375.00

Estimated total cost..... $3,588.00

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

Hopkins

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

March 22, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3682 (mica)

Applicant: E. A. Ellis and Lin Carpenter

Name and Location of Property: Rube Sparks (Cook) Mine
Mitchell County, North Carolina

Date of Field Team Report: March 10, 1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: March 15, 1955

Field Team Recommendation:

1. Denial of the application.

Comments:

1. It is doubtful if a DMEA project will develop additional pegmatite areas.

Recommendation:

I concur with the field team recommendation to deny this application.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

Defense Minerals Administration
RECEIVED
MAR 17 1955

March 17, 1955

Re: DMEA-3682
E. A. Ellis and
L. Carpenter
(Rube Sparks Mine)
Mitchell Co., N. C.
$5,113 - 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 the application be denied.

The Rube Sparks mine was considered previously for possible exploration assistance, DMEA-1917X. This earlier application was denied.

There is no new evidence presented which indicates the property is now more promising for successful exploration than in 1951 when the earlier proposal was denied.

Information in the reports submitted by the Field Team is unfavorable. In the light of this data, rehabilitation of the mine for possible deeper development is not geologically warranted.

I recommend this application be denied.

E. L. Newcomb

E. L. Newcomb

DOCKET COPY
Surname:

Hopkins
Houk
Selfridge
J. J. Mason
Hedges

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

MAR 1 8 1955

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

Subject: Docket No. DMEA-3682 - Mica
E. A. Ellis and Lin Carpenter
(Partnership)
Ellis & Carpenter
Rube Sparks Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team's examination report, dated March 2, 1955, on the subject property and your transmittal memorandum and comments, dated March 10, 1955.

Because exploration of the Rube Sparks pegmatite below the old workings does not appear to be justified, we would be interested in knowing if exploration for new mica shoots along the strike has been given consideration, or if the possibility of the existence of another pegmatite on the property has been investigated.

We will defer final action on the application until we hear from you again.

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

JHopkins:ad 3/17/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

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

March 10, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Examination Report, DMEA-3682, Rube Sparks Mine, Mitchell County, North Carolina

Enclosed are the original and four copies of the Field Team report with six extra copies of the map attached on the subject mine.

The field examiners do not strongly recommend exploration of this property because the old mine workings are inaccessible and no information can be obtained concerning the pegmatite in the lower workings; and also because any exploration work on the property would have to be done directly below the former mica producing zone.

While this apparently is a borderline case it is the opinion of the Field Team that the application should be denied.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
3-16-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

Defense Minerals Administration
RECEIVED
MAR 21 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM, REGION V

ON

DMEA-3682, RUBE SPARKS (COOK) MINE
(mica) Mitchell County, N. C.

BY

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

and

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

March 2, 1955

Reviewed by
DMEA OPERATING COMMITTEE
3-16-55
(date)

FIELD TEAM EXAMINATION REPORT- REGION V.

On

DMEA-3682, RUBE SPARKS (Cook)MINE (mica)

Applicant: E. A. Ellis and Lin Carpenter, Spruce Pine, North Carolina

This deposit has been the subject of a previous application (DMEA-1917X). The previous application was denied because the mica is non-ruby. This is an old mine, with extensive stopes above the 120-foot level. The examiners cannot make a firm recommendation because of the lack of sufficient information on the pegmatite in the bottom of the old works. If exploration is undertaken it will be directed toward the development of mica-bearing pegmatite below a known producing zone.

The mine was examined on March 2, 1955. Mr. E. A. Ellis accompanied the examiners on the inspection which required two hours.

This mine is 1 1/2 miles northwest of Spruce Pine, along the south side of North Toe River, and about 0.6 mile southwest of Mimpro, Mitchell County, N. C. Access is good at all times. Area covered is sufficient.

The Cook or Rube Sparks Mine has been developed by an open cut, several crosscutting adits, and one vertical shaft. The pegmatite has been mined along the strike for approximately 200-feet and considerable stoping has been done above the 100-foot level. In the vicinity of the vertical shaft (see map, south end of mine) mining has been conducted to a depth of approximately 140-feet. Apparently when the mine was abandoned (early in 1945-see attached report) production was from this 140-foot level. The shaft is vertical for a depth of 100-feet, and below this depth is inclined.

An examination of the manuscript mine map (prepared in June and September 1943 and February 1945 - Knoxville files) indicates that the pegmatite is poorly zoned; however, the attached Colonial Mica Corp., report states that the mica was obtained from the border of quartz lenses. The mine is now inaccessible, and is flooded below the 100-foot level, thus the examiners has not had an opportunity to examine the pegmatite in place.

At this place the pegmatite trends about north-south, dipping steeply eastward. It is enclosed in a coarse granite (alaskite) which contains occasional bands of mica schist and gneiss. Weathering has progressed to a depth of approximately 50-feet; however, dump material which apparently came from near the bottom of the mine is entirely fresh.

Mica found about the old dump is relatively flat, clear, and splits well. It is green in color. According to the attached report by Carr, most

Reviewed by
DMEA OPERATING COMMITTEE
3-16-55
(date)

of the mica obtained was large flat "A". Specimens reported on page 89, G. S. Professional Paper 225, 1950, indicate that dielectric properties of mica from this mine are satisfactory.

In addition to the production of sheet mica from the deposit, considerable potash feldspar is reported as a by-product. Also several hundred pounds of columbite are reported to have been produced during the last operation. Colonial Mica Corporation's records indicate that approximately $8,000 worth of mica was produced during World War II.

Two types of exploration are indicated in the application-trenching and stripping and shaft sinking. The examiners see no advantage to be gained from this approach.

From the above, and a copy of a report by Kenneth Carr, which is attached, it is apparent that the chances of developing a successful operation on this deposit are not good.

If any work is undertaken, it should be conducted from the existing 95-foot shaft. This should consist of timbering the shaft, dewatering, and cleaning muck out from the inclined stope, deepening incline down dip of pegmatite for an additional 40 feet, and driving about 60 feet of level from the incline.

Estimated Cost:

Timber shaft, dewater, and clean out muck	$1,500.00
Sink 40 ft. of incline @ $50/ft.	2,000.00
Drive 60 ft. of drift @ $35/ft.	2,100.00
Toolhouse	75.00
Powder magazine	25.00
Exploder "	13.00
Total	$5,113.00

Examined: March 2, 1955

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

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

z

COPY OF COLONIAL MICA CORPORATION REPORT ON
COOK OR RUBE SPARKS MINE- obtained from
U. S. Bureau of Mines, Norris, Tenn.
(DMEA-1917X).

RUBE SPARKS MINE

Location: 1 1/2 mile W. of Spruce Pine on property of Sarah M. Cook.

Operator: E. A. Ellis

Period of operation: 6-4-43 to 12-31-44.

Advance: $1,000.00

Projected Work: Sink new shaft to approx. 75' to pick up vein beyond old works.

Funds Expended: $1,000.00. Operator's funds expended: $8,000.00 (est.)

WALL ROCKS

Formation: N. 10° E. Strike: NW. Dip: NE

Fresh X

PEGMATITE:

Strike N 10° W. Dip: N 80° E Width: 40-50 ft. Length: 200' plus

Character of Mineralization:

Hard pegmatite consisting of potash and a little soda feldspar with large quartz vein in center.

Mica concentration:

Location and dimensions: Mica near quartz in center of vein.

Degree of concentration: Fairly rich in pockets

Color: Green Size: up to 6" x 8" Structure: A, some large, some hair cracked, recovery of strategic mica low.

Former Operators:

Mine has been worked from time to time for past 40 years. Last worked by Herb Young and Lloyd Stewart. Jesse McKinney also worked in this mine for Tennessee Mineral Company several years ago.

Present Operator:

Competency of Operator:	Good
Efficiency of Operator:	O.K.
Water Conditions:	Moderate, no timbering done
Reason for closing	Mica not ruby
Future possibilities:	Fair for feldspar and green mica

REMARKS:

This Operator was granted an advance of $1000. With these funds the Operator sank shaft A down 95' and contacted the old workings No cribbing was done. The Operator, with his own funds, worked out the area shown in blue on the sketch. The area B was 20 feet broad and the area at C was 12 feet broad. This pegmatite is a very broad one, being 40 to 50 feet broad and the mica adjoins a large quartz vein in the center of the pegmatite. A lot of feldspar was mined and a considerable amount of mica. The mica was large green "A" and the recovery from it of strategic mica was low. This mine was operated in the past as a feldspar mine and would not pay to operate for mica only. Some columbite also occurs in the pegmatite and a few hundred pounds of it were sold by the Operator.

(signed) Kenneth Carr
3-15-45

No map came with this report.

DOCKET COPY
Surname:

Hopkins
Houk
Selfridge
Bjornson

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

MAR 9 - 1955

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

Subject: Docket No. DMEA-3682 - Mica
E. A. Ellis and Lin Carpenter
(Partnership)
Ellis & Carpenter
Rube Sparks Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it necessary. If a project is recommended please show location of proposed work with relation to the nearest property line or corner.

Copies of memoranda from the Geological Survey, dated February 18, 1955, and from the Bureau of Mines, dated February 24, 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 4

JHopkins; ad 3/2/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

DOCKET COPY
Surname:

Hope
~~[illegible]~~
Houk
Newcomb
Hedges
Selfridge
[illegible]

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

MAR 7 - 1955

Ellis & Carpenter
C/o E. A. Ellis
Spruce Pine, North Carolina

Re: Docket No. DMEA-3682 - Mica
E. A. Ellis and Lin Carpenter
(Partnership)
Ellis & Carpenter
Rube Sparks Mine
Mitchell County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

JHopkins;Ad 3/2/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
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-3682 (mica)

Applicant: Ellis & Carpenter

Name and Location of Property: Rube Sparks Mine
Mitchell County, North Carolina

Date Application Rec'd. by Br. of Ceram. & Fert. Mat.: Feb. 15, 1955

Comments:

1. Bureau of Mines records show that an average monthly purchase from May to September 1944 of $738.50 worth of mica were made by Colonial Mica from subject mine.

2. From the limited information presented, it is difficult to determine if an exploration program is justified or if the proposed plan would be the best method of explorating this property.

3. Estimated costs, shown under 6, appear to be high for exploration of a mica deposit.

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.

Defense Minerals Administration
RECEIVED
FEB 18 1955

February 18, 1955

Re: DMEA-3682
Ellis & Carpenter
(Rube Sparks Mine)
Mitchell Co., N. C.
$11,460 - 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 requested exploration assistance to further explore a mica-bearing pegmatite by bulldozing, and 250 feet of shaft sinking and drifting.

We do not have any available information on this property. The map referred to by the operator is undoubtedly in the files of the U.S.G.S. at Knoxville. The production figures as recorded by the Colonial Mica Corporation are also available at the Field Team office.

Although the data submitted are insufficient for a geologic appraisal of the merits of the proposed work, I recommend this application be referred to the Field Team for their comments. If data in their files indicates a field examination is warranted, the property should be examined at their convenience when the examining team is in the area.

E. L. Newcomb

E. L. Newcomb

February 15, 1955
Subject: DMEA 3682
Re: Exploration Assistance
Rube Sparks Mine

ELLIS & CARPENTER
C/o Mr. E. A. Ellis
Spruce Pine, N. C.

Gentlemen:

The receipt of your application dated February 11, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3682 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

Not to be filled in by applicant

Docket No. 3682
Metal or Mineral Mica
Date Received 2-14-55
Estimated Cost $11,460
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: ELLIS & CARPENTER (Partnership)
E. A. Ellis, Spruce Pine, North Carolina
Lin Carpenter, Spruce Pine, North Carolina

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

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

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

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

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

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

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

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

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

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

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

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

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

(*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 will to explore .....

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 2-11, 1955

ELLIS & CARPENTER

(Applicant)

By E. A. Ellis

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

FEB 14 1956

ELLIS & CARPENTER
Spruce Pine
North Carolina

1. Ellis & Carpenter, Partnership, Spruce Pine, North Carolina.

   1d. E. A. Ellis, Spruce Pine, North Carolina
   Lin Carpenter, Spruce Pine, North Carolina

2. No answer required.

3. Lease Attached.

   3b. Rube Sparks Mine
   3c. Lessee
   3d. Lease attached
   3e. Do not own
   3f. None

4. a. Not being worked
   4b. This mine has not been operated for several years and was last operated in World War II. It produced a good grade of sheet mica. It also produced some columbite.

   4c. See Geological Survey map of Rube Sparks Mine. The mine was operated in World War II and was producing a good quality mica. The reason the mine was abandoned the government mica program was over and the price dropped so low it was not profitable to operate. If the mica vein can be found, we feel that at the present price the Government is paying for mica it could be operated at a profit.

   4d. Good road within 300 feet of mine, 2 miles northwest of Spruce Pine, North Carolina.

5. a. It is proposed to bulldoze down to the pegmatite, and then sink a 5' x 7' shaft approximately 150', or until the vien of mica is contacted, and then drift 50' each way on the vien.

   5c. Work will start within 60 days and will be completed within 8 months.

   5d. Attached. Exhibit B.

6.

20 hours dozing @ $12.00 per hour - - - - - - - - - - - -	$ 240.00
150' - 5' x 7' Shaft @ $50.00 per ft. - - - - - - - - -	7500.00
100' - 5' x 7' Drift @ $35.00 per ft. - - - - - - - - -	3500.00
Total - - - - - - - - - - - - -	$11240.00

6 a. None

f. 10' x 15' Tool House - - - - - - - - - - - - - - - - - $ 150.00
Powder Magazine - 50.00
Exploder magazine - - - - - - - - - - - - - - - - - - - 20.00

7 a. Will operate and finance the proposed project and will turn in progress reports on the first of each month for work done the preceding month.

MINING LEASE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 14 1955

State of North Carolina Mitchell County:

This indenture made this 11th day of February, 1955, ~~1958~~

between E. A. Ellis and F. E. Ellis

of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and E. A. Ellis and Lin Carpenter, a Partnership D/B/A Ellis & Carpenter

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 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:

Beginning on a double poplar running thence North 11 degrees West 245' to a stake; thence North 37 degrees West 170' to a triple poplar; thence North 80 Degrees East 528' to a stake; ~~thence South 40 degrees East 245' to a stake in the branch; thence up with the said branch~~ South 41 degrees West 363' to a stake; thence leaving the branch running South 85 Degrees West 200' to a stake; thence North 77 degrees 30 West 100' back to the beginning. Containing ~~four and one half acres (4½)~~.

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

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

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

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

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

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the 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.

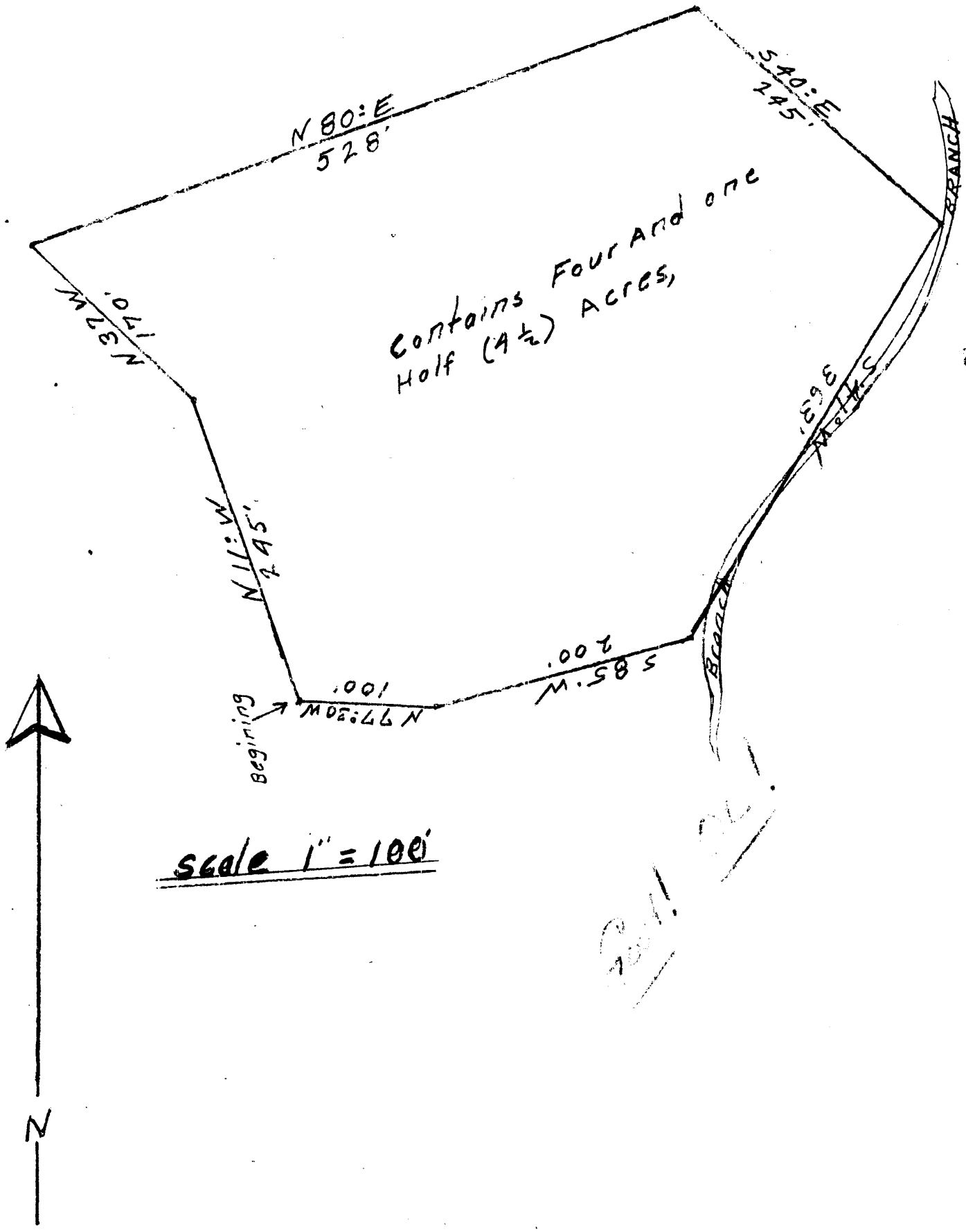
Witness:

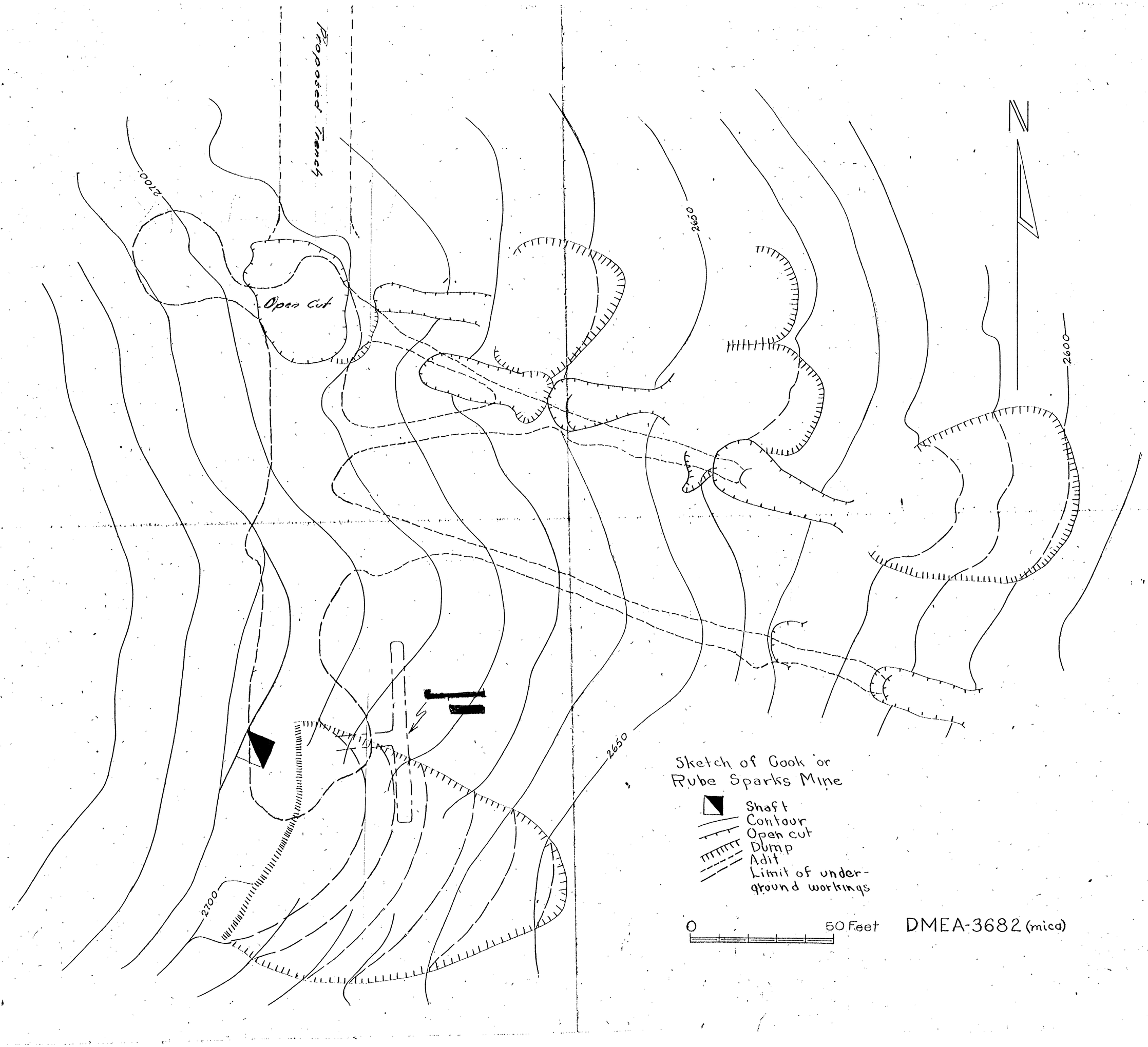
Tess Burleson

E. A. Ellis (Seal)

F. E. Ellis (Seal)

_____ (Seal)


N 80° E
528'
S 40° E
245'
BRANCH
Contains Four And one
Half (4½) Acres,
N 32° W
170'
N 11° W
245'
S 63° E
Marks
S 85° W
200'
N 77° 30' W
100'
Beginning
Branch
N
scale 1" = 100'


Proposed Ranch
Open Cut
2700
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Sketch of Cook or
Rube Sparks Mine
Shaft
Contour
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Dump
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Limit of under-
ground workings
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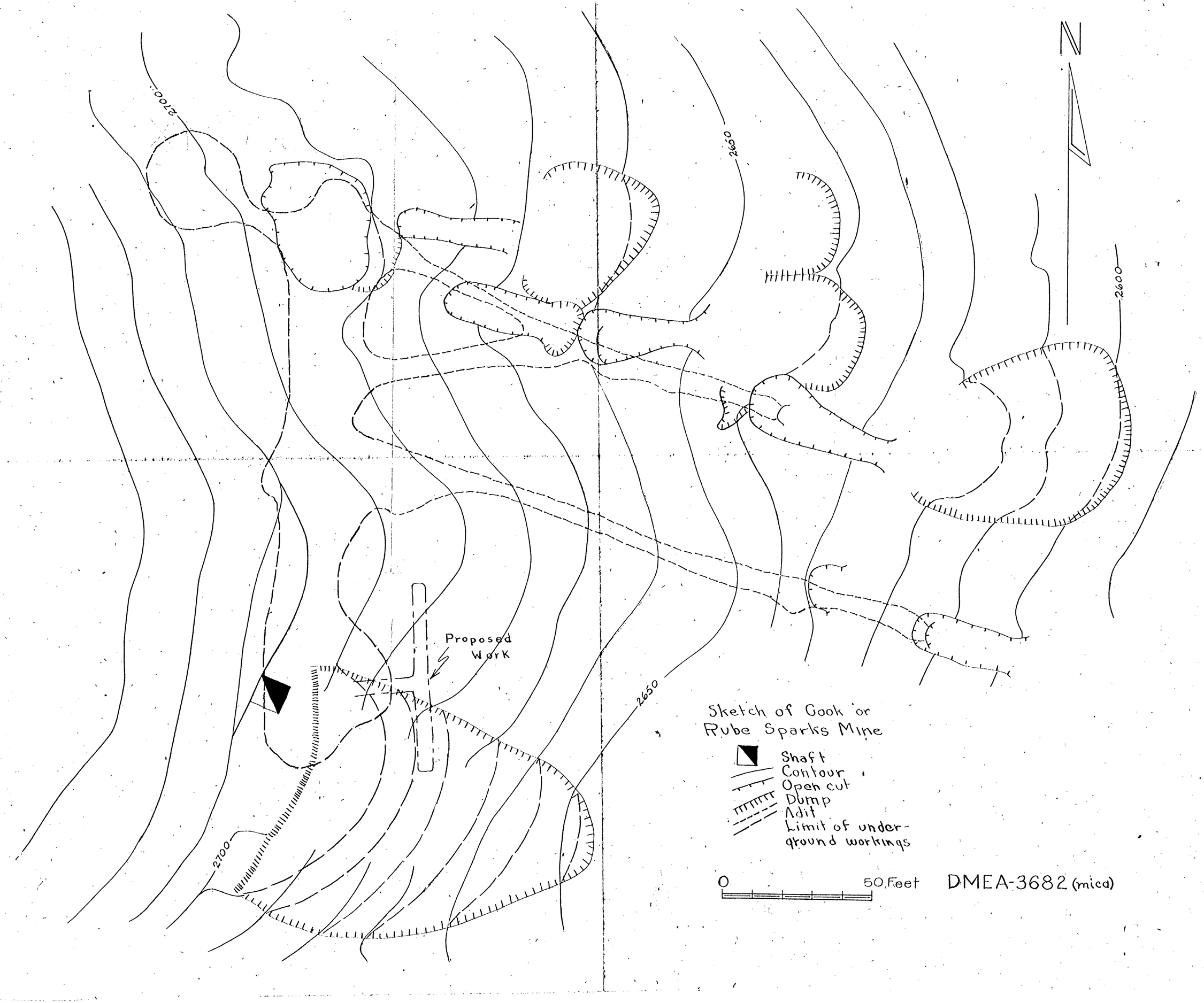
50 Feet
DMEA-3682 (mica)



DMEA-3682 (mica)