DMEA _____

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED 3-18-55
2	CONTRACT	DATE 6-24-55
3	TERMINATION AGREEMENT	DATE 9.12.55
4	CERTIFICATION	DATE
5	AUDIT REPORT	DATE
6	AMENDMENTS - NUMBERS	DATE

Docket Copy

Hawk

Talbitt
Arthur
Dwyer

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NOV - 4 1955

TERMINATION AGREEMENT

It is agreed this 12 day of September, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter and Lucian Grindstaff, hereinafter called the "Operators", parties to that certain Exploration Project Contract Idm-2624, Docket No. DMEA-3728, dated 24th day of June 1955, hereinafter called the "Contract," that:

1. Effective August 24, 1955, the contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

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

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

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

By Walter Grindstaff
Walter Grindstaff, Partner

By Lucian Grindstaff
Lucian Grindstaff, Partner

THE UNITED STATES OF AMERICA

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

Docket copy

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JUL - 5 1955

MF-200A
(Revised June 1954)

Docket No. DMEA -3723

Commodity Mica

Contract No. Idm-E 824

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

It is agreed this 24th 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] Walter Grindstaff and Lucian Grindstaff, partners,

whose mailing address is Route 3
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 map.

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 --, 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: Guaranty of Royalty by John Phillips submitted in lieu of 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."

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 August 1, 1955 shall commence the work, and on or before December 31, 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 $5,264.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,948.00: *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.

WALTER GRINDSTAFF and LUCIAN GRINDSTAFF, (partners) (Operator)

By Walter Grindstaff (partner)

By Lucian Grindstaff (partner)

THE UNITED STATES OF AMERICA

By Administrator, Defense Minerals Exploration Administration

"Appd. Sol. Off."

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

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JUL - 5 1955

EXPLORATION PROJECT CONTRACT
WALTER GRINDSTAFF and LUCIAN GRINDSTAFF
DOCKET NO. DMEA-3728

ANNEX I

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

BEGINNING at the center of the mine hole made by Vernon Grindstaff and Gordon Silver on the opposite side of the branch from and about 300 feet up the branch above the barn on the F. G. Jarrett place now owned by parties of the first part and extending due west 250 feet to a stake; then due south 250 feet to a stake; east 500 feet to a stake; north 500 feet to a stake; west 500 feet to a stake; south 250 feet to a stake, the second corner above named; thence due east with the first line above named to the center of said mine forming a square 500 feet by 500 feet. The land from which the description for this lease is taken is described in deed from F. G. Jarrett and wife, Rosa Jarrett, to John C. McBee, et al., as recorded in the office of Register of Deeds for Mitchell County in Book No. 98, page 259.

EXPLORATION PROJECT CONTRACT
WALTER GRINDSTAFF and LUCIAN GRINDSTAFF
DOCKET NO. DMEA-3728

RECEIVED
JUL - 5 1955

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown on the map entitled "Sketch of Walter Grindstaff (McBee) Prospect Mitchell County, N. C. DMEA-3728 (mica) April 21, 1955," attached hereto and made a part hereof. The work consists of the following:

1. With a D-6 or equivalent bulldozer, excavate a trench to bedrock along the strike of the pegmatite for a distance of not more than 100 feet.

2. Construct:

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

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

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

The toolhouse may be unfloored; shall be made from 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 shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

3. Sink a 50-foot incline shaft on the pegmatite.

4. At a point 5 feet above the bottom of the shaft, drive 80 feet of drifts on the pegmatite.

The shaft and drifts shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

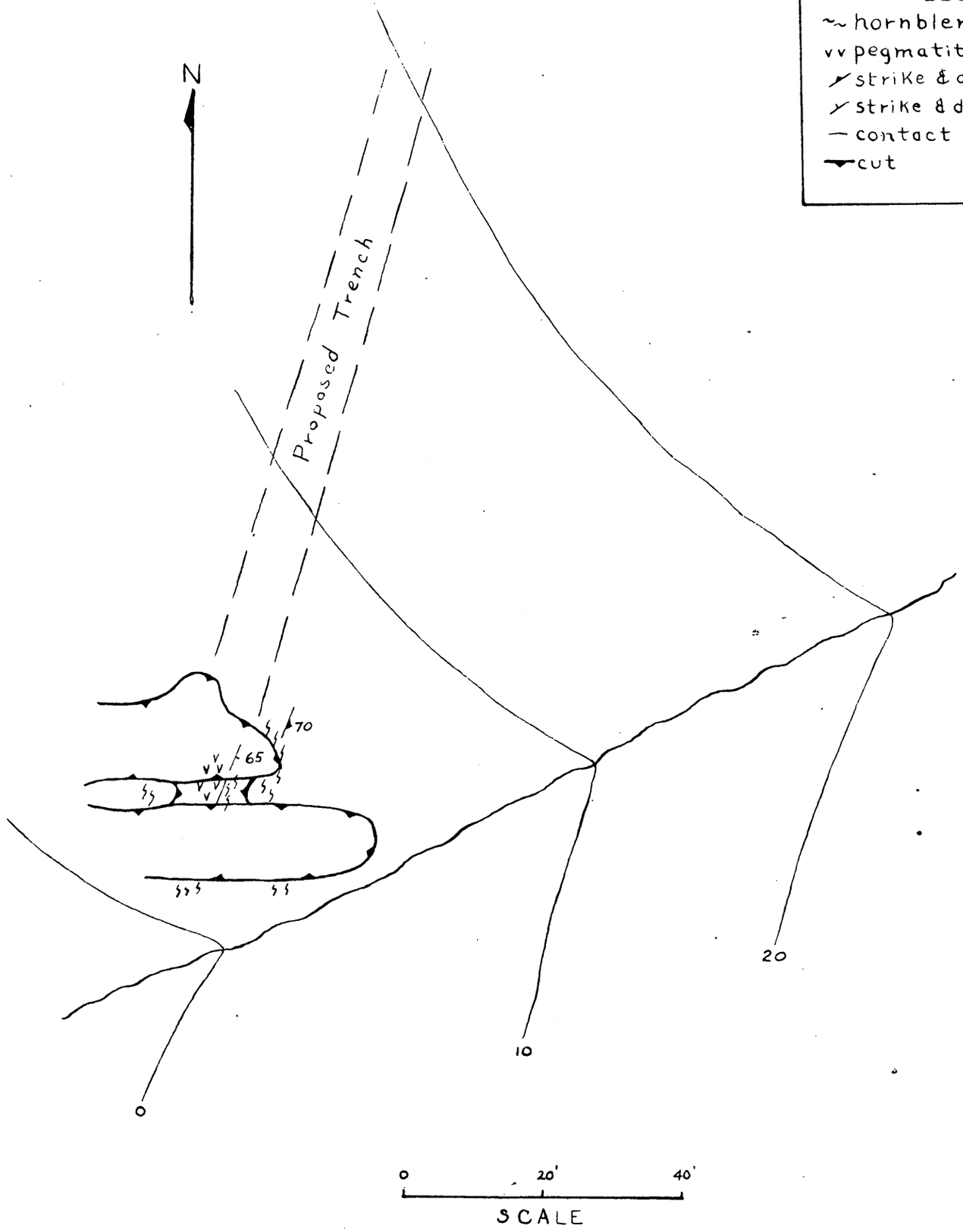
All workings shall be timbered as necessary.

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

Fixed Unit Costs
(The unit costs include all costs whatsoever necessary to complete the work.)

1.	Bulldozing 10 hours @ $10.00/hr.	$ 100.00	
2.	Construct:		
	Toolhouse 1/	75.00	
	Powder magazine 1/	25.00	
	Exploder magazine 1/	14.00	
3.	Sink 50 feet of shaft @ $45.00/ft.	2,250.00	
4.	Drive 80 feet of drifts @ $35.00/ft.	2,800.00	
	Estimated Total Cost of Project		$5,264.00
	Government participation @ 75%		$3,948.00

1/ The completed work constitutes the unit.



LEGEND
~ hornblende gneiss
vv pegmatite
strike & dip of foliation
strike & dip of contact
— contact
cut

SKETCH OF
WALTER GRINDSTAFF (McBEE) PROSPECT
MITCHELL CO., N.C.

DMEA-3728 (mica)
April 21, 1955

RECEIVED
JUL - 5 195

EXPLORATION PROJECT CONTRACT
WALTER GRINDSTAFF and LUCIAN GRINDSTAFF
DOCKET NO. DMEA-3728

GUARANTY OF ROYALTY

WHEREAS, negotiations are now pending between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Walter and Lucian Grindstaff, partners, hereinafter called the "Operator," for an Exploration Project Contract relating to certain land in the State of North Carolina, County of Mitchell, described as follows:

> BEGINNING at the center of the mine hole made by Vernon Grindstaff and Gordon Silver on the opposite side of the branch from and about 300 feet up the branch above the barn on the F. G. Jarrett place now owned by parties of the first part and extending due west 250 feet to a stake; then due south 250 feet to a stake; east 500 feet to a stake; north 500 feet to a stake; west 500 feet to a stake; south 250 feet to a stake, the second corner above named; thence due east with the first line above named to the center of said mine forming a square 500 feet by 500 feet. The land from which the description for this lease is taken is described in deed from F. G. Jarrett and wife, Rosa Jarrett, to John C. McBee, et al., as recorded in the office of Register of Deeds for Mitchell County in Book No. 98, page 259.

NOW THEREFORE, in consideration of the waiver by the Government of the requirement of a Consent to Lien referred to in said contract, and in lieu thereof, the undersigned hereby guarantees the payment to the United States of America of any royalty that may fall due under the provisions of said contract or any amendment or assignment thereof, notice of any such amendment or assignment being hereby waived. If the records of any sales or other disposition of the production upon which any such royalty may accrue, whether the production is by the Operator or by others, are not made available to the Government for

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JUL - 5 1955

the computation of said royalty, the undersigned agrees that the amounts thereof may be determined according to the best estimates that can reasonably be made; and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or his successor, or by his representative authorized for that purpose, shall be final and binding upon the undersigned.

Dated 6-28, 1955.

John Phillips

Guarantor - John Phillips
Spruce Pine,
North Carolina

DOCKET COPY
Surname:

Hopkins
Houk
Chambers
Martin
Johnson

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

MAY 21 1956

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3728-mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina
Contract No. Idm-E824

Dear Mr. Phillips:

Reference is made to the Guaranty of Royalty dated June 28, 1955, which you executed in connection with the subject contract for a Defense Minerals Exploration Administration project on the McBee property in Mitchell County, North Carolina.

Transmitted herewith for your information is a copy of our self-explanatory letter of this date to the Operators under this contract.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JHopkins:ms 5/14/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Hopkins
Mr. Houk
Admr. R. File

R.G.

DOCKET COPY
Surname:

Hopkins
Houk
Chambers
Martin
Johnson

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

MAY 21 1956

Messrs. Walter Grindstaff and
Lucian Grindstaff
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-3728-mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina
Contract No. Idm-2624

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 (for)

Administrator

JHopkins:ms 5/14/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File
John Phillips (Guarantor of Royalty)

R.E.A.

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

May 14, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3728-mica
Contract No. Idm-E824
Walter Grindstaff Prospect
Mitchell County, North Carolina

Operators: Walter Grindstaff and Lucian Grindstaff
Route #3
Bakersville, North Carolina

Operators' Property Rights:
Lessees of the mineral rights of the Walter Grindstaff tract of land.(McBee Property).

2. Contract: dated June 24, 1955

a) Work Authorized:

Excavate strike trench	$ 100.00
Buildings	114.00
Sink 50-foot incline @ $45.00/ft.	2,250.00
Drive 80 feet of drifts @ $35.00/ft.	2,800.00
Estimated Total Cost	$5,264.00

b) Amendments: None

c) Work Completed:

Trench excavation 10 hrs. @ $10.00/hr.	$ 100.00
Buildings	114.00
Shaft sinking 16 ft. @ $45.00	720.00
Total Cost	$ 934.00

Work began July 4, 1955.
Work ended July 29, 1955.
Termination Agreement effective August 24, 1955.
Operators' Final Report waived.
Field Team Final Report dated September 26, 1955.

3. Audit: Report of Review dated September 13, 1955.

Total Cost as billed by Operators	$934.00
Exceptions	-0-
Total Accepted Cost	$934.00
Government participation @ 75%	$700.50

4. Certification of Discovery - none issued.

5. Comments:

This is an unexplored pegmatite.

Pegmatite exposed in 5-foot trench(crosscut) was 3' to 6' thick with strategic mica showing. It was unweathered, unzoned and conformable to hornblende gneiss wall rock.

Work on the contract consisted of a strike trench 125'x20'x4 and a 16-foot incline on the pegmatite.

As the pegmatite, which had a maximum thickness of 2 feet pinched out 5' to 10' below the surface the Field Team recommended termination.

Certification was not recommended.

No reserves of strategic mica were revealed by the work.

The operators recovered and sold 375 lbs. of run-of-mine mica for $150.00 and paid the Government $7.50 royalty.

The work completed under the contract was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

The Nonmetallic Minerals Division concurs in the Field Team's recommendation that no certification of discovery be issued.

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

James Hopkins
Nonmetallic Minerals Division

DOCKET COPY
Surname:

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

Hyde
Hook
Chambers
Selfridge
Northenberg

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

MAR 23 1956

Dear Mr. Lawrence

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)
3975	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 those 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 (HB)

Approved:

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

Thor H. Kiilsgaard (HB)
Member, Geological Survey

Mr. Dietrich, Jr.
Mr. Hook(6)
Mr. Hopkins
Admr. R. File

JHopkinsmm 3/21/56
Copy to: Docket(6)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222

R.C.S.

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

RECEIVED
DEC 21 1955

December 19, 1955

Memorandum

To: Helen Miller, Ass't Administrative Officer, Region V

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Royalty Payment - Idm-E824, DMEA-3728, Walter & Lucian Grindstaff, (mica) R#3, Bakersville, N. C. W. Walter Grindstaff Pros.

Transmitted is a sale slip in the amount of $150.00 sold from the subject prospect, and a royalty check for $7.50 to be credited to the subject contract.

Robert A. Laurence

Lynch
Mittendorf
Shirley
Files

Y

Ralph Jarrett Mining Co.
Spruce Pine, N. C.

purchased from

Walt Mining Co.

Spruce Pine, N. C.

RECEIVED
DEC 21 1955

375# Mica @ .40 lb 150.00

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

RECEIVED
NOV - 4 1955

November 3, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Termination Agreement : Idm-E824, DMEA-3728 (mica)
Walter & Lucian Grindstaff
North Carolina

Idm-E848, DMEA-3815 (mica)
Grindstaff & Johnson
North Carolina

Attached are three copies each of the subject termination agreements signed by the operators. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

ZM.
cc:
Lynch
Finance Office
Shirley
Files

RECEIVED
Nov 10 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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-3728 (mica)

Applicant: W. & L. Grindstaff

Name and Location of Property: Walter Grindstaff Prospect, Mitchell Co., N.C.

Contract Number: Idm-E 824

Date of Field Team Report: 9/26/55

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

Field Team Recommendation: Recommend no certification of discovery.

Comments:

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

2. Expenditures -

Total approved	$5,264.00
Total cost	934.00
Gov't. share of the cost	700.50
Value of production during Operation	?

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 1955

October 5, 1955

Re: DMEA 3728, Idm-E824
Walter & Lucian Grindstaff
Walter Grindstaff prospect
Mitchell Co., N. C.
$5,264.00 - 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.

$5,264.00 was approved for this project. Ten hours of bulldozing revealed a narrow (2 ft.) pegmatite which appeared to warrant a shaft. A 16-foot shaft was sunk at -60° inclination. The pegmatite bottomed at the 16-foot point, the work was stopped and the contract terminated by agreement, $934.00 having been expended.

About 100 pounds mine run mica, some of excellent quality, was recovered in the bulldozing, but no reserves were established. The examiners conclude and the Field Team recommends that no certification of discovery be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

Approved by
DMEA OPERATING COMMITTEE
10-3-55

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 29 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION V

On

DMEA-3728, WALTER GRINDSTAFF PROSPECT (mica)
Mitchell County, North Carolina

By

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

and

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

September 26, 1955

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

FINAL REPORT

DMEA-3728, Idm-E824, WALTER GRINDSTAFF PROSPECT
(mica)

RECEIVED
SEP 30 1955

Operators: Walter and Lucian Grindstaff, R#3, Bakersville, N. C.

Location: In the southeast head of Silver Hollow, 3.04 airline miles S. 4° W. of Bakersville, Mitchell County, N. C.

Limited exploration conducted at this Prospect revealed the pegmatite bottoms at a shallow depth; thus, the work outlined in the contract was not completed. No certification of discovery should be issued nor is additional exploratory work warranted.

Work on this contract began July 4, 1955 and ended July 29, 1955. A trench about 125' x 20' x 4' deep was bulldozed along the strike of the pegmatite under Stage I of the contract. This required 10 machine hours. A toolhouse, powder magazine and exploder magazine were constructed and a 16-foot incline at a -60° inclination to the southeast was sunk and timbered, all under Stage II. As the pegmatite bottomed in the incline the contract was terminated by mutual agreement, effective August 24, 1955.

A conformable pegmatite having a maximum thickness of about 2 feet is exposed in the trench and incline. It strikes N. 45° E., dips about 70° S.E. and is discontinuous along the strike. Both trenching and incline work indicated that the body terminates downdip 5 - 10 feet below the surface. The pegmatite consists of medium-grained plagiocalse, gray quartz, muscovite and garnet. No zoning is apparent. The enclosing country rock is hornblende gneiss.

About 100 pounds of "mine-run" mica were obtained from the trenching. It is green-colored, flat, hard and clear and is of excellent quality. The only defect was some cracks.

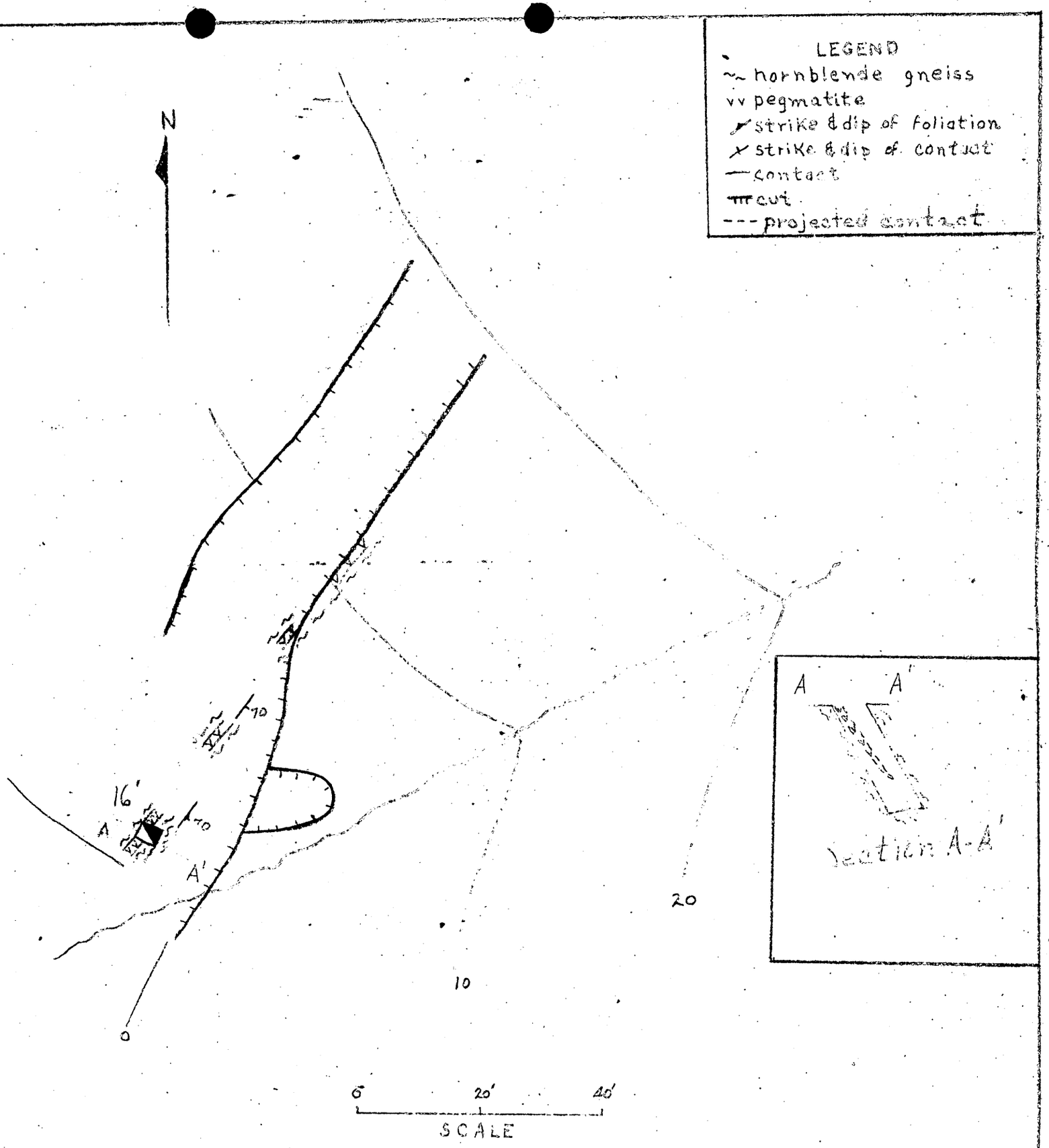
No reserves of strategic mica were revealed by the work done under the contract.

Expenditures:	(a)	Total approved	$5,264.00
	(b)	Total cost of project	934.00
	(c)	Government's share of cost	700.50
	(d)	Government's share unexpended	3,247.50
	(e)	Value of production during opr.	?
	(f)	Royalty received to date	None

The work completed under the contract was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

September 26, 1955

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



SKETCH OF
WALTER GRINDSTAFF (McBEE) PROSPECT
MITCHELL CO., N.C.

DMEA-3728(mica)
Aug. 24, 1955

Docket File
Surname:

Houk
Selfridge
Hutchendorf

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

SEP - 7 1955

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

Subject: Docket No. DME-3723 - Mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina
Contract No. Idm-E324

Dear Mr. Laurence:

Reference is made to your memorandum dated August 29, 1955, requesting permission to terminate the subject contract by mutual consent.

Approval is granted to terminate the subject contract in accordance with the provisions of DMEA Circular No. 33, June 30, 1954 employing the form, "No. 6 Termination Agreement (all contract forms MF-200, MF-200A)".

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

P. F. Yopes (GCS)
Member, Bureau of Mines

/s/ M. E. Nelson (GCS)
Member, Geological Survey

JHopkins:pk ~~9/2/55~~ 9/2/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

P. C.

Talbert

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

SEP - 6 1955

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

Re: Walter and Lucian Grindstaff
Docket No. DMEA-3728
Contract No. Idm-2824

Dear Mr. Laurence:

A review of the contract file covering the subject project is now in process for the purpose of issuing a Report of Review in lieu of a final audit.

It has been noted that an interim report covering a Field Team examination on August 24, 1955 states that the work completed includes "sinking a 15.5 foot incline", whereas the Operator has billed, and has been paid, on the basis of 16 feet of shaft sinking.

Your information of the exact footage of sinking involved would be appreciated.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Chief
Contract Administration
and Audit Division

EDTalbert/wb
September 6, 1955

Copy to: Docket
Admr. Reading File
Mr. Chambers

R.C.G.

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

RECEIVED
AUG 31 1955

August 29, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3728, Idm-E824 (mica) Request for Mutual Termination

Attached are four (4) copies of the latest Interim Report on the subject contract.

The Field Team requests permission to terminate the contract by mutual agreement effective August 24, 1955. Certification of discovery will not be recommended.

V. J. Lynch

V. J. Lynch, Acting
Executive Officer, DMEA
Region V

K. H. Teague

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

RECEIVED
AUG 3 1 1955

INTERIM REPORT

DMEA-3728, Idm-E824 (mica) WALTER GRINDSTAFF PROSPECT

Operator: Walter and Lucian Grindstaff, Route # 3, Bakersville, N. C.

Location: In the southeast head of Silver Hollow, 3.04 airline miles S. 4° W. of Bakersville, Mitchell County, N. C.

Work completed to date on this contract consists of stripping with a dozer, constructing a toolhouse and sinking a 15.5-foot incline. The pegmatite being explored bottomed in the incline at a depth of about 10 feet. Several drill holes made from the bottom of the incline failed to intersect any pegmatite. Additional bulldozing northeast of the incline along the strike of the body revealed that it is discontinuous along both strike and dip.

It is recommended by the field examiners that no further exploration be done under the contract at this prospect. The Operator is in agreement.

Date of Exam: August 24, 1955.

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

and

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

z

INTERIM REPORT

DMEA-3728, Idm-E824 (mica) WALTER GRINDSTAFF PROSPECT

OPERATOR: Walter and Lucian Grindstaff, Route #3, Bakersville, N. C.

LOCATION: In the southeast head of Silver Hollow, 3.04 airline miles S4°W of Bakersville, Mitchell Co., N. C.

Incline shaft sinking continues on this contract and is now at 15.5 feet. Material encountered in last few feet has been hornblende-biotite schist country rock. Before doing any additional sinking, the operator was advised to drill test holes in the hanging wall and bottom. If no pegmatite is encountered in these holes, additional trenching is recommended to the northeast and along the projected strike of the body.

Tool house construction has been completed and houses a gasoline powered hoist. Progress on this contract is satisfactory.

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 10, 1955

RECEIVED
AUG 1 1955

RECEIVED
AUG - 8 1955

INTERIM REPORT

DMEA-3728, Idm-E824 (mica) WALTER GRINDSTAFF PROSPECT

OPERATOR: Walter and Lucian Grindstaff, Route #3, Bakersville, N. C.

LOCATION: In the southeast head of Silver Hollow, 3.04 airline miles S4°W of Bakersville, Mitchell Co., N. C.

Incline shaft sinking is underway on this contract and is now at 9 feet. The shaft was filled with water, and no examination of the bottom could be made. Dump material examined indicates a quartzitic pegmatite containing good quality mica in small sizes, and enclosed by a highly weathered biotite schist country rock. Some timber work in the form of cribbing has been accomplished. A toolhouse has partially been constructed, and magazines have been completed. A 105 c.f.m. air compressor has been moved to the mine, but is not in use.

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

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3728 Idm-E824 (mica) WALTER GRINDSTAFF PROSPECT

OPERATOR: Walter and Lucian Grindstaff, Route #3, Bakersville, N. C.

LOCATION: In the southeast head of Silver Hollow, 3.04 airline miles S4°W of Bakersville, Mitchell Co., N. C.

The starting date on this contract is July 4, 1955. Bulldozing to bedrock has been completed for a distance of about 75 feet, which exposed a pegmatite body about 2 feet thick striking N20°E and dipping steeply to the southeast. A few pieces of block mica of very good quality was dug from the exposure. A shaft site was spotted and instructions given concerning alignment. A tool house has been built, and erection of a conventional hoisting frame was in progress at the time of this visit. A gasoline powered hoist was the only piece of equipment observed on the property. Sinking is expected to get underway during the current week.

Mr. Robert 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, Geologists
U. S. Geological Survey

July 13, 1955

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

RECEIVED
JUL - 5 1955

June 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA Field Team, Region 5, Knoxville

Subject: Signed Contract - DMEA-3728, Idm-E824 (mica)
Walter Grindstaff and Lueian Grindstaff, Partners
Mitchell County, N. C.

Transmitted are three signed copies of the contract, and Guaranty of Royalty signed by Mr. John Phillips, and attached to each copy of the contract.

The usual distribution of the other copies has been made by this office.

Robert A. Laurence
Robert A. Laurence

Docket File
Surname:
Hopkins
Houk
Talbot
Selfridge
Johnson

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

JUN 24 1955

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

Subject: Docket No. DMEA-3728 - Hica
Walter Grindstaff and Lucian Grindstaff
Walter Grindstaff Prospect
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 obliged 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 have the enclosed Guaranty of Royalty executed by John Phillips and attach to copies of the contract. Copies of Mr. Phillips letter, dated June 9, 1955, agreeing to this Guaranty are enclosed for your information. Mr. Phillips may not guarantee if he has any interest in the contract. 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 N. E. Nelson of the Geological Survey, dated May 12, 1955, and from J. F. Dietrich of the Bureau of Mines, dated May 16, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey (JHB)

Enclosures 18

JHopkins:pk 6/23/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

Spruce Pine, North Carolina
June 9, 1955

RECEIVED
JUN 1 0 1955

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U. S. Dept. of the Interior, DMEA
Washington 25, D. C.

Re: DMEA-3728, Walter Grindstaff Prospect
Mitchell County, North Carolina

Dear Mr. Houk:

I have been approached by Messrs. Walter Grindstaff and Lucian Grindstaff to become surety for them in the pending DMEA contract mentioned above. I prefer to use the individual principle type of surety if that is satisfactory to the government.

I do hereby certify that I will become personally liable for the repayment to the government of the sum of $3,948.00 in the event the above mentioned applicants for any reason fail in the performance of their contract.

The following is a list of my assets and liabilities:

ASSETS

Phillips and Coulter Motor Company	$ 30,000.00
Farm at Wing, Mitchell County, N. C.	5,000.00
House and property in Avery County, N. C.	15,000.00
Mining equipment	5,000.00
	$ 55,000.00

LIABILITIES

None

Sincerely yours,

John Phillips

John Phillips

P/b

DOCKET COPY
Surname:
Hopkins
Houk

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

MAY 2 6 1955

Messrs. Walter Grindstaff and
Lucian Grindstaff
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-3728 - Mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina

Gentlemen:

Reference is made to our letter to you dated April 11, 1955, and also to our reply to a letter from Mr. Sam L. Phillips to Mr. Houk regarding a modified Owner's Consent to Lien on the subject property. We enclose herewith a copy of our reply to Mr. Phillips.

Since you are unable to obtain an acceptable Consent to Lien from the owner, we suggest that you execute the enclosed Performance Bond and return to this office. The Penal Sum of the Bond will be $3,948.00 which is the amount of the Government participation in an exploration project on the property, the total cost of which will be $5,264.00. For your information, we enclose a copy of the form on which the contract will be written.

Upon receipt of the Bond properly executed, we will continue processing your application.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 3

JHopkins:ad 5/24/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

Defense Minerals Administration
RECEIVED
MAY 16 1955

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

May 16, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3728 (mica)

Applicant: W. Grindstaff

Name and Location of Property: Walter Grindstaff Prospect
Mitchell County, North Carolina

Date of Field Team Report: 4-28-55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5-6-55

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Mica encountered is strategic quality.

2. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation:

I concur in the field team recommendation for an exploration project in the amount of $5,263.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 13 1955

May 12, 1955

Re: DMEA-3728
Grindstaff Partnership
McBee Prospect
Mitchell Co., N. C.
$5,263.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report

The application asked for $7,250.00. The smaller footage of work appears to fit the possibilities of the new discovery.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

Rubin
Hofflund
Houk
Chamberlain

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

140

MAY - 3 1955

Mr. Sam L. Phillips
Spruce Pine
North Carolina

Re: Docket No. DMEA-3728 (Mica)
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff prospect
Mitchell County, N. C.

Dear Mr. Phillips:

This responds to your letter dated April 14 to Mr. Houk transmitting a copy of a letter dated April 13 from Mr. John C. McBee, Sr., to the Messrs. Grindstaff.

Mr. McBee's letter states that the lessors will not execute a Consent to Lien form which gives the Government a lien on their land to secure the payment of the Government's royalty. Your letter asks whether the Government would delete the "lien" provision of the form, as desired by Mr. McBee.

Our letter dated April 11 to the Messrs. Grindstaff stated that the Consent to Lien as modified by Mr. McBee previously submitted to us, was unacceptable to the Government, and that if the lessors would not execute a Consent to Lien without revising it we would require from the applicants an acceptable third-party guaranty or a bond.

We are not inclined to modify the Consent-to-Lien form as suggested by Mr. McBee, for it would substantially reduce the security for payment of the Government's royalty. Accordingly, as indicated in our letter of April 11 to Messrs. Grindstaff, an acceptable third-party guaranty or a surety company bond should be submitted in lieu of the Consent to Lien of the owner.

HCRubin:gjb 4/28/55

Sincerely yours,

C. O. Mittendorf

Administrator

Copy to: DMEA Docket
Sol. Docket
Field Team, Reg.V (2)
Adm. R. File
Operating Comm.
J. L. Hofflund
T. H. Kiilsgaard, GS
L. G. Houk
W. F. Dietrich, BM
H. C. Rubin
Chron. File
Pending File

R.C.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 35 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

April 28, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-3728 (mica) Walter and Lucian Grindstaff, Bakersville, N. C.

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

We agree with the examiners' conclusions and recommend approval of a contract as outlined in the report. Very little work has been done on this pegmatite and it appears to be a promising one.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

Robert A. Laurence

V. J. Lynch
Member, Bureau of Mines

V. J. Lynch

Reviewed by
DMEA OPERATING COMMITTEE
5-6-55
(date)

[illegible]
[illegible]
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

On

DMEA-3728, WALTER GRINDSTAFF PROSPECT
(mica)
Mitchell County, N. C.

By

Kefton H. Teague, Geologist
and
Dewey H. Amos, Geologist
U. S. Geological Survey

and

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

Reviewed by
DMEA OPERATING COMMITTEE
5-6-55
(date)

April 21, 1955

FIELD EXAMINATION REPORT
On
DMEA-3728, (mica) WALTER GRINDSTAFF PROSPECT

Applicants: Walter and Lucian Grindstaff, Route # 3, Bakersville, N. C.

This is an unexplored prospect. Where exposed the pegmatite is of adequate thickness and mica content of strategic grade to warrant exploration. Exploration assistance is recommended.

This property was examined April 21, 1955. Messrs. Walter Grindstaff and a Mr. Johnson accompanied the examiners on the inspection which required one hour.

The Walter Grindstaff (McBee) Prospect is in the southeast head of Silver Hollow, 3.04 airline miles S. 4° W. of Bakersville, Mitchell County, North Carolina. Access is possible at all times.

The applicants are competent to conduct the proposed exploration. Area covered in their lease is adequate for the proposed project. Although the examiners have not seen the lease, the west boundary of the lease (which is the nearest boundary to the prospect) is about 350 feet due west of the prospect.

Only a 5-foot deep crosscutting trench and a slumped open cut, 5 feet deep, have been made at this place. In only the crosscut is pegmatite exposed. The pegmatite is from 3 to 6 feet thick, unweathered, unzoned, strikes N. 20° E. and dips 65-70° SE. It is conformable to the hornblende gneiss wall rock. The intrusion is composed of soda-feldspar, gray granular quartz, green-colored muscovite, and scattered red garnet. The pegmatite is coarse-grained.

The mica is hard, clear, flat, green-colored and free splitting. Sizes up to 6 inches acorss are reported to have been obtained from the crosscut.

The exposure is near a small stream and unless exploration work is conducted farther up the hill to the northeast, considerable water will be present. Therefore, the examiners recommend that an 100-foot trench be cut along the strike of the pegmatite northeast of the pegmatite, and a 50-foot incline sunk on it. From the bottom of the incline 80 feet of drift are recommended.

Estimated Cost:

Bulldozer (D-6 or equivalent), 10 hrs. @ $10/hr. $100.00

Estimated Cost - con'd.

Toolhouse		$ 75.00
Powder magazine		25.00
Exploder magazine		~~13.00~~ 14.00

Sink 50-foot incline on pegmatite (35 shifts)

Labor:		
1 - Miner @ $1.50/hr,	$420.00	
1 - Hoistman @ $1.25/hr.	350.00	
1 - Laborer @ $1.00/hr	280.00	
Equipment (rental):		
Compressor, drill, & pump @ $240/Mo.	420.00	
Hoist @ $50/Mo.	87.50	
Supplies:		
Explosives	150.00	
Timber, 2000 b.f. @ $60/M	120.00	
Gasoline and oil	100.00	
Drill steel	75.00	
Small tools	75.00	
Miscellaneous	72.50	
Insurance and Social Security	100.00	$2,250.00

45.00

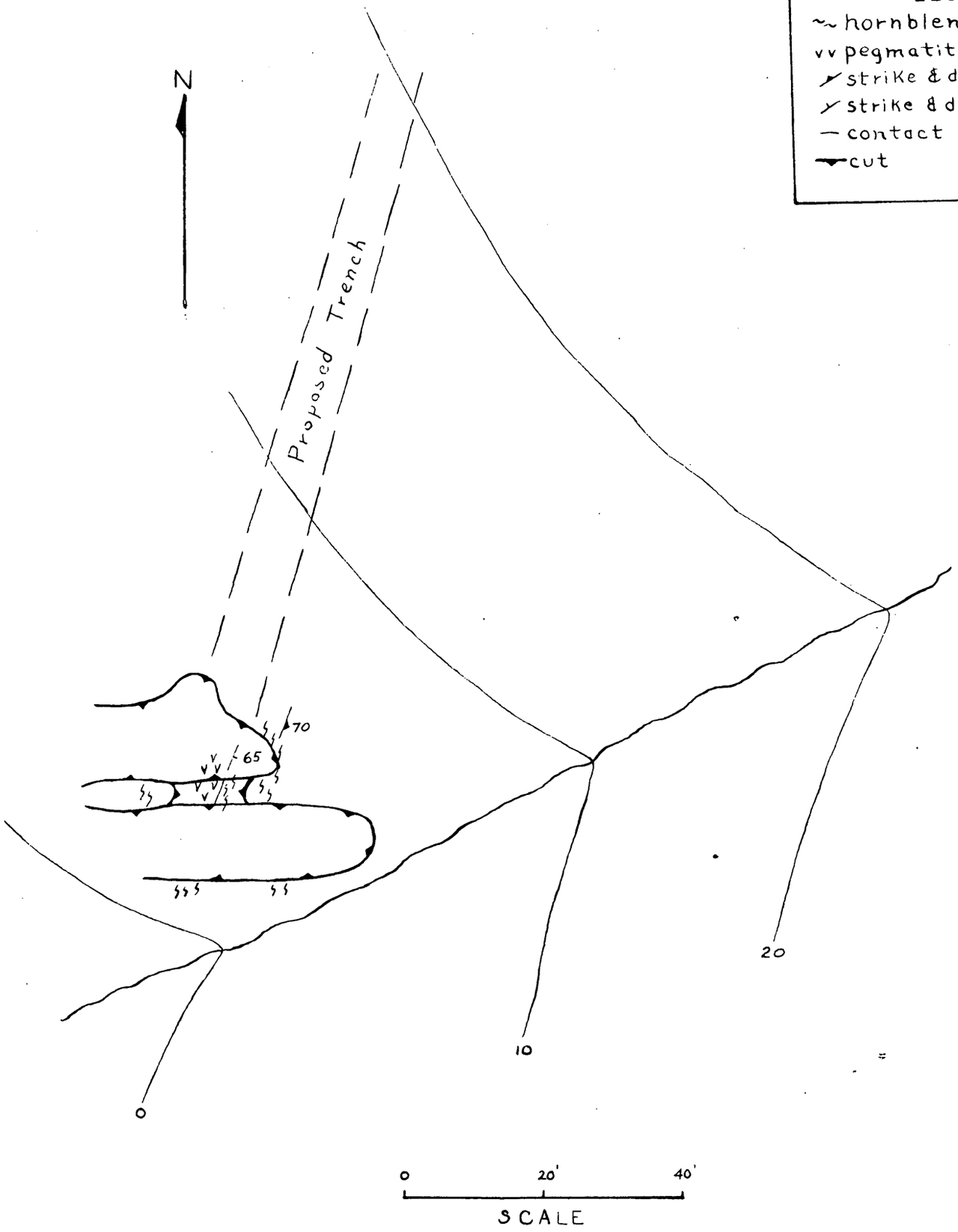
Drive 80 feet of level (40 shifts)

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, drill and Jackleg @ $250/Mo.	500.00	
Hoist @ $50/Mo.	100.00	
Supplies:		
Explosives	240.00	
Gasoline and oil	160.00	
Drill steel	100.00	
Small tools	50.00	
Miscellaneous	50.00	
Insurance and Social Security	80.00	$2,800.00
		5264.00
Estimated Total Cost.....		~~$5,263.00~~

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

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

Government Participation @ 75% $3948.00



LEGEND
~ hornblende gneiss
vv pegmatite
strike & dip of foliation
strike & dip of contact
— contact
cut

SKETCH OF
WALTER GRINDSTAFF (McBEE) PROSPECT
MITCHELL CO., N.C.

DMEA-3728 (mica)
April 21, 1955

Defense Minerals Administration
RECEIVED
APR 18 1955

INTERIOR DEPT.
APR 21 1955
SOLICITOR

Spruce Pine, N. C.
April 14, 1955

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U. S. Dept. of the Interior, DMEA
Washington 25, D. C.

Re: DMEA-3728 - Mica

Dear Mr. Houk:

I am enclosing a copy of a letter from Mr. John C. McBee, Sr. which is self-explanatory. I would appreciate it if you would take this matter up with your legal department and see if this letter can act in the place of an Owner's Consent to Lien, or if your legal department can delete from this form the phrase that says " lien on the land".

I am also enclosing a copy of the original Owner's Consent to Lien as executed by Mr. John C. McBee, Sr.

Any help you can give me in this matter will be greatly appreciated.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

P/b

RECEIVED
APR 21 1955
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

April 13, 1955

Messrs. Walter Grindstaff and
Lucian Grindstaff
Route #3
Bakersville, N. C.

Re: Docket No. DMEA 3728 - Mica
Walter Grindstaff and Lucian Grindstaff
Walter Grindstaff prospect Mitchell
County, N. C.

Gentlemen:

After seeing copy of letter from United States Department of the Interior, Defense Minerals Exploration Administration, Washington 25, D. C. 600, it seems to us that there is possibly some misunderstanding between us and the government.

We, as lessors, positively will not give the government a lien on our land for what a third party might do or might not do; however, we would have no objection for the government to have a prior or first lien on all of the production of minerals from our property obtained by lessees under our lease to them, furthermore, we are perfectly willing for the government to have priority in the monthly collection of royalties, i. e., that the government take out its percentage of the royalty before we receive any royalty.

From our view point, if lessees should fail to find worthwhile minerals, then our property would be damaged, but, on the other hand, if they should find valuable minerals, then both the government and we would benefit from the same.

While we are willing for the government to have priority in the collection of royalties from our lands, we are unwilling to become surety for the payment of royalties to the government.

We are willing to make any reasonable revision of the contract which will not place a lien upon our land and will not put us in position of guarantors or sureties and we have no objection to their transferring their lease to the government or any other responsible party.

Very truly yours,

John C. McGee Sr.

Agent and Attorney-In-Fact for myself
and my co-lessors.

JCM,JR:db

Co. 27

Minerals Administration
RECEIVED
MAR 18 1955

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO ~~EXEC~~ Assignment of all of lessees rights and privileges as contained in their lease.

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 follows:1/

As described in that certain lease from John C. McKee, Sr., et al., to Walter Grindstaff and Lucian Grindstaff which description lies within the description in deed from F. C. Jarrett, et ux., to John C. McKee, Sr., et al., which deed is recorded in Book 93, page 259, Mitchell County registry.

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/ Walter Grindstaff and Lucian Grindstaff

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: The Government is hereby given and granted all of the rights and privileges granted to lessees under the lease hereinabove referred to, and nothing more.

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. There is herein no lien on the land granted to the Government and only the rights granted to Government as assignee of lessees.

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. All rights and privileges granted by lessees to lessees in the lease above referred to.

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

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

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

(OVER)

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

4. Changes and added provisions IT IS HEREBY UNDERSTOOD that lessees are not giving any lien upon the l eased premises but will cooperate with the Government if it should take an assignment of the lease and become the operator and will assume the obligations of lessees and pay the stipulated royalties to lessors but lessors will not become liable to the Government for any default on the part of lessees.

Dated this 1st day of March, 1955.

(Signed) John C. McCoo, Sr. [Seal]

Helen McCoo [Seal]

J. C. McCoo, Jr. [Seal]

Mary A. McCoo (Seal)

Paul R. McCoo (Seal)

Ray A. McCoo (Seal)

FILE COPY
Surname:
Hopkins
Houk
Selfridge
Johnson

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

APR 11 1955

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

Subject: Docket No. DMEA-3728 - Mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda by E. L. Newcomb of the Geological Survey, dated March 24, 1955, and W. F. Dietrich of the Bureau of Mines, dated April 4, 1955, are enclosed for your information.

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 4

JHopkins:ad 4/6/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RCS.

FILE COPY
Surname:

Hopkins
Houk
Kiilsgaard
Hedges
Selfridge
Hyphen

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

APR 11 1955

Messrs. Walter Grindstaff and
Lucian Grindstaff
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3728 - Mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
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 Owner's Consent to Lien form executed by the lessors is not acceptable because, as revised by them, the lien provisions of the form are deleted and there is no security for the Government's royalty. Therefore, if the lessors will not execute an Owner's Consent to Lien form without their revisions, we will require an acceptable third party guaranty or a bond. We assume that the lessors understand that if there is no production there is no lien. We are returning the 7 copies of the form which you submitted.

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

Enclosures 7

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

R.C.S.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 5 1955

April 4, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3728 (mica)

Applicant: Walter and Lucian Grindstaff

Name and Location of Property: Walter Grindstaff Prospect
Mitchell County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fert. Mtls.: 3/21/55

Comments:

1. Applicant proposes to sink a shaft and drift along the vein.
2. No map was attached to the copy of the application submitted to this office.
3. It is difficult to determine from the information submitted by the applicant if an exploration project is justified.
4. Some preliminary trenching may be warranted for determining the most promising area for a shaft.

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.

March 24, 1955

Re: DMEA-3728
Grindstaff Partnership
(Walter Grindstaff
Prospect)
Mitchell Co., N. C.
$7,250 - 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 consisting of 75 feet of shaft and 100 feet of drift in a mica-bearing pegmatite.

There has been no past production and probably very little prospecting or exploration. It is reported that vein material (pegmatite?) is exposed on the property. Some preliminary trenching may be warranted before shaft sinking is undertaken.

We do not have any information on the Grindstaff prospect; however, this property may be familiar to the Knoxville field examiners.

I recommend the application be referred to the Field Team for their review and a possible on-site examination at their convenience.

E. L. Newcomb

E. L. Newcomb

March 18, 1955
Subject: DMEA 3728
Re: Exploration Assistance
Walter Grindstaff Prospect

Messrs. Walter Grindstaff and
Lucian Grindstaff
Route 3
Bakersville, North Carolina

Gentlemen:

The receipt of your application dated March 15, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3728 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

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

Not to be filled in by applicant

Docket No. 3728
Metal or Mineral Mica
Date Received 3-18-55
Estimated Cost $7,250
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: Walter Grindstaff and Lucian Grindstaff

Partnership

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

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

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

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

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

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Not owner.

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

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

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

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

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

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

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

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

(*c*) The work will start within 30 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. See sheet. History of Walter Grindstaff now on file with DMEA

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated March 15, 1955

Walter Grindstaff & Lucian Grindstaff
(Applicant)

By Walter Grindstaff
Partner

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

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

MF-103 (Continuation sheet)

4. (a) No previous mining operations at this site.

   (b) No production in the past; new prospect.

   (c) From vein material showing, it is believed that mica of strategic quality may be found by exploration work.

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

   (e) Manpower, equipment and supplies available. Power is within 200 yards.

5. (b) It is proposed to sink a 5'x7' shaft to a depth of 75'; then drift with vein 100' best way.

6. Estimate of Costs:

Sink shaft 75' @ $50.00 ft.	$ 3750.00
Drift 100' @ $35.00 ft.	3500.00
Total estimated cost	$ 7250.00

Bureau Minerals
RECEIVED
MAR 18 1955

Lucian Grindstaff

Mr. Lucian Grindstaff was born and has spent his entire life in Mitchell County, N. C. He is now 47 years old. He has mined in mica and feldspar all his life, being for the most part self employed. He has worked for Carolina Minerals Company, Sink Hole Mining Company, Byrd Mining Company and others.

Mr. Grindstaff is a reputable citizen, well-liked in his community, and offers the following references:

Mr. Guy Hoilman, Merchant
Bakersville, N. C.

Astor Buchanan
Spruce Pine, N. C.

Emmett Wilson, Merchant
Toecane, N. C.

[illegible] of the Interior
[illegible] Minerals Administration
RECEIVED
MAR 18 1955

MINING LEASE

State of North Carolina **Mitchell** County:

This indenture made this **1st** day of **March**, 195**5**,

between **John C. McBee, single; Helen McBee, single, J. C. McBee, Jr., and wife, Mary S. McBee, of Mitchell County, N. C., and Paul T. McBee and wife, Ivy S. McBee,**
of **McDowell** County and State of North Carolina as party of the first part, and known as lessor**s**, and **Walter Grindstaff and Lucian Grindstaff**
of **Mitchell** County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the part~~y~~**ies** of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor**s**, 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~~ 3 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 at the center of the mine hole made by Vernon Grindstaff and Gordon Silver on the opposite side of the branch from and about 300 feet up the branch above the barn on the F. G. Jarrett place now owned by parties of the first part) and extending due west 250 feet to a stake; then due south 250 feet to a stake; east 500 feet to a stake; north 500 feet to a stake; west 500 feet to a stake; south 250 feet to a stake, the second corner above named; thence due east with the first line above named to the center of said mine forming a square 500 feet by 500 feet. The land from which the description for this lease is taken is described in deed from F. G. Jarrett and wife, Rosa Jarrett, to John C. McBee, et al., as recorded in the office of Register of Deeds for Mitchell County in Book No. 98, page 259.**

5,7

TO HAVE AND TO HOLD the said lands to ~~him~~ **them**, for mining purposes, the said lessee**s** and ~~his~~ **their** heirs and assigns for the aforesaid period of ~~five~~ **three** 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**s** 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 part~~y~~**ies** of the second part, the lessee**s** hereby agrees to pay to the said part~~y~~**ies** of the first part, ~~or his~~ or their heirs or assigns, a rental royalty of **1/8 of selling price for all kinds of mica where sold and .50¢ per long ton for feldspar**
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~~ 3 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**s** 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 [illegible] in the real estate described and set forth in this lease for a total purchase price of [illegible] within three years from the date of this instrument and it is agreed [illegible] the party of the first part shall apply toward and be a part of the total purchase price [illegible] such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination [illegible] 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 [illegible] purchase price at any time within the next three years shall entitle the party of the second part to specific performance [illegible]~~.

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

____

John C. McBee Sr. (Seal)

Helen McBee (Seal)

J C McBee (Seal)

29 75

Mary S. McBee (SEAL)

Paul T. McBee (SEAL)

Ivy S. McBee (SEAL)

Lessors

Walter Grindstaff (SEAL)

Lucian Grindstaff (SEAL)

Lessees

NORTH CAROLINA,
MITCHELL COUNTY.

I, Nell Bradshaw, Notary Public in and for the County and State aforesaid, do hereby certify that John C. McBee, single; Helen McBee, single; J. C. McBee, Jr., and wife, Mary S. McBee, Lessors, Walter Grindstaff as Lessee, _____ ~~as lessee~~, personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 1st day of March, 1955.

Nell Bradshaw
Notary Public

My commission expires
10-29-55.

NORTH CAROLINA,
MCDOWELL COUNTY.

I, Margaret L. Hall, Notary Public in and for the County and State aforesaid, do hereby certify that Paul T. McBee and wife, Ivy S. McBee, this day personally appeared before me and acknowledged the due execution by them of the foregoing instrument for the purposes therein expressed.

Witness my hand and Notarial Seal, this 4th day of March, 1955.

Margaret L. Hall
Notary Public

(Notarial Seal here)

My commission expires:
3-19-'55

NORTH CAROLINA,
MITCHELL COUNTY.

I, DOROTHA BUCHANAN, Notary Public in and for the County and State aforesaid, do hereby certify that Lucian Grindstaff this day personally appeared before me and acknowledged the due execution by him of the foregoing instrument for the purposes therein expressed.

Witness my hand and notarial seal this 2nd day of March, 1955.

Dorotha Buchanan
Notary Public

(Notarial Seal here)

My Commission Expires:
October 18, 1956