☐ Audited

☐ Certified

[redacted]K ANALYSIS SHEET - DMEA PROJEC[redacted]

Analysis as of August
Incl. Voucher for July

☐ Actual Cost

☑ Agreed Unit Co

Name Walter & Lucian Grundstaff

Docket No. 3728

State North Carolina

Commodity Mica

Idm-E No. 824

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	80	2800.00	0	0	0
Raising					
Shafts	50	2250.00	16	720.00	720.00
Winzes					
Drilling (Specify)					
Surface Excavation		100.00		100.00	100.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		114.00		114.00	114.00
Other (Specify)					
Totals		5264		934.00	934.00

Prepared by [signature]

71626

Division Copy

RECEIVED
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-E824, Docket No. DMEA-3728, dated 9th 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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Walter Grindstaff and Lucian Grindstaff
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Xdm-2624, Docket No. DMEA-3726, for the month of July 1955, covering a project for the exploration of mica on property, known as the Walter Grindstaff Prospect, located in Mitchell County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs for work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$934.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$934.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Seven hundred and 50/100 Dollars

$700.00

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert, Auditor

September 13, 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 25, 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-2824 (mica)
Walter Grindstaff and Lucian 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

Division copy

RECEIVED

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."

(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 C. Mittendorf
Administrator, Defense Minerals Exploration Administration

Contr.

"Appd. Sol. Off."

Hyde
Funk
Talbert
Selfridge

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

RECEIVED
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.

RECEIVED
JUL - 5 1955

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

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.

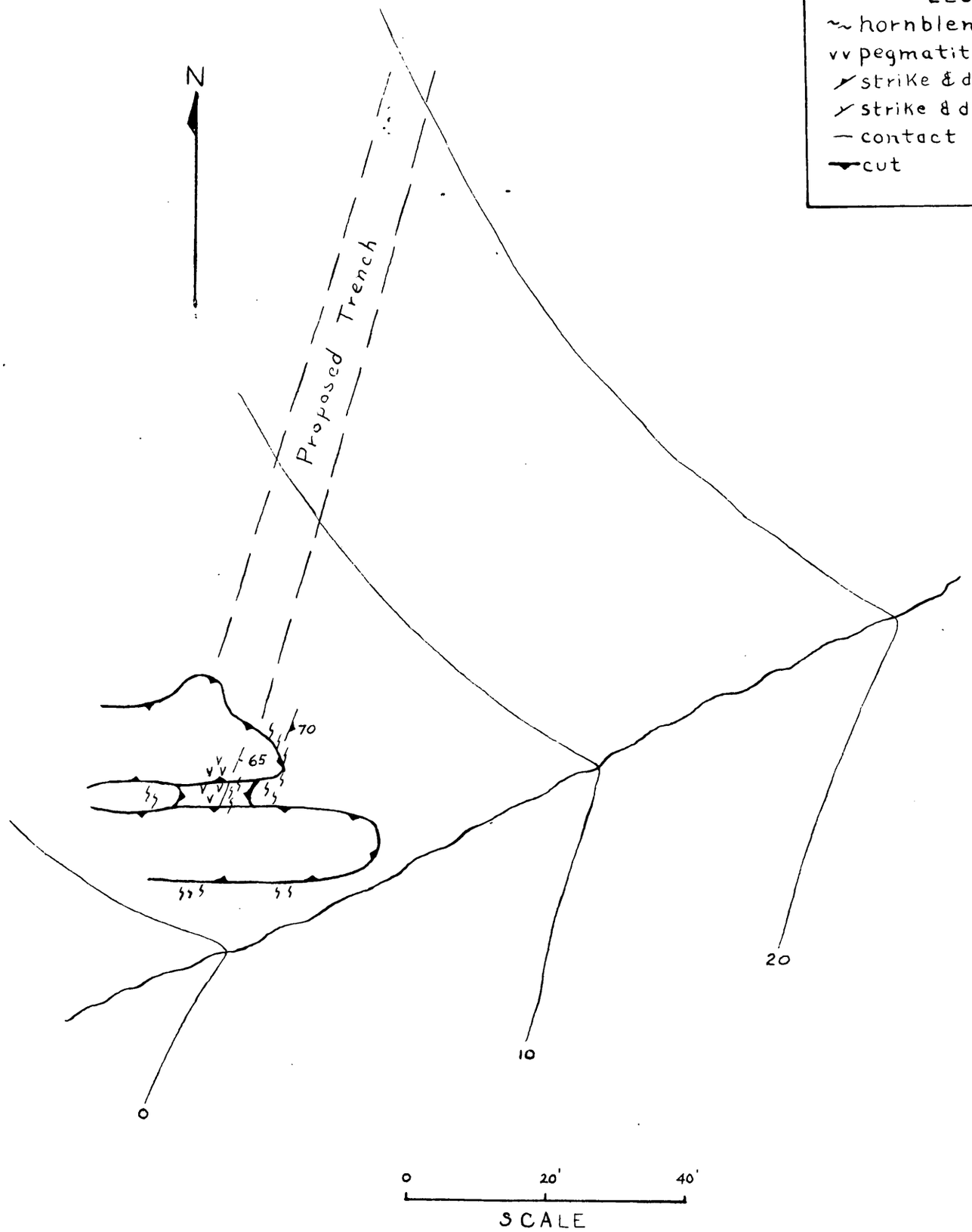
All workings shall be timbered as necessary.

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.



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

DMEA-3728 (mica)
April 21, 1955

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

RECEIVED
JUL - 5 1955

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

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

MAY 1958

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

Re: Docket No. [illegible]-3728-nlcn
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina
Contract No. [illegible]

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 [illegible] exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:ms 5/14/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Millagaard, 3222
Mr. Dietrich, 3061
Mr. Hook
Mr. Hopkins
Admr. R. File
John Phillips (Commissioner of Royalty)

600

MAY 21 1956

Mr. John Phillips

Sprucepine, North Carolina

Re: Docket No. DMEA-3723-mica
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina
Contract No. 14s-5324

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 Nelbe 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,

G. O. Mittendorf

Administrator

Enclosure

JHopkins:ms 5/14/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Killingsord, 5322
Mr. Dietrich, 3061
Mr. Hopkins
Mr. Hauk
Admr. R. File

May 14, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3728-mica
Contract No. Idm-X824
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

JHopkins:ms 5/14/56
Copy to: Mr. Houk
Mr. Hopkins
Admr. R. File

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 9, 1956

~~WASHINGTON 25, D.C.~~
Knoxville, 2, Tenn.
April 6, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Letter of March 23, 1956 pertaining to production and royalties on six uncertified projects-

A check of the records at the Government Buying Depot in Spruce Pine, N. C., was made to determine what sales had been made from these projects and an inquiry as to their present status:

DMEA-3575, Idm-E776, S. D. McKinney Mine: Not operating. The only sale made was one for 1170 pounds of hand cobbed mica under the old amended "B" program for which they received $539.66, royalty of $26.98 has been paid.

DMEA-3682, Idm-E806, Rube Sparks Mine: Operator made one sale from this operation for 4000 lbs. of poor quality hand cobbed mica for which an initial payment of $800.01 was made. Upon processing the mica it was found its value was only $580.75. A charge of $4.01 was made for rifting and trimming, so the Operator had to refund $223.27 to the Government. Royalty of $28.84 has been paid.

DMEA-3728, Idm-E824, Walter Grindstaff Prospect: No sales were made to the Government Depot. Operator made one sale of 375 lbs. of run-of-mine mica to the Ralph Jarrett Mining Company at 40¢ per lb. and received $150.00 for it. Royalty on this sale in the amount of $7.50 has been paid to the Government.

DMEA-3611, Idm-E785, Little Hawk Mine: Mine not operating. John Phillips one of the partners in the contract stated that no mica was sold from the property. He stated that all recovered was a few hundred pounds of scrap and it was not worth bothering with.

DMEA-3877, Idm-E864, Jasper Smith Mine: Mine not operating. Operators made one sale of $17.06 lbs of sheet mica to the Government Depot for which they received $234.96. They also sold 447 lbs. of scrap to Tar Heel Mica Company for $6.70. Royalties in the amount of $12.08 has been paid.

DMEA-3731, Idm-E815, Randolph Mine: Mine not operating. Operators made one sale of 9.30 pounds of sheet mica to the Government Depot for $154.16. Also sold 202 lbs. of scrap to Herman Johnson for $2.02. Royalty on these sales in the amounts of $7.71 and 10¢ respectively has been made.

V. J. Lynch,

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

copied by ms 4/11/56

Mr. Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V
Room 19, Post Office Building
Knoxville, 2, Tennessee

MAR 23 1956

Dear Mr. Lawrence:

References 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
3811	E785	about 800 lbs.	?	?	None	Apr. 4, 1956
3877	E864	approx. 790 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

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

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

✓Mr. Hunt(6)
Mr. Hopkins
Admr. R. File

Applicants

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

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, Bakereville, N. C. W. 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

COPY

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.

Signed
W. F. Dietrich

IN REPLY REFER TO:

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

October 5, 1955

Re: DMEA 3726, Lim-[illegible]
Walter & Lucian Grindstaff
Walter Grindstaff prospect
Mitchell Co., N. C.
$5,264.00 - Mica

Memorandum

To: L. G. Bouk, 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

NENelson:iml
G-10/5/55

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

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

10-3-55

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 26 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION V

On

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

By

M. 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 GEOLOGIC SERVICES
10-3-55
(date)

FINAL REPORT

RECEIVED
SEP 26 1955

DMEA-3728, Idm-2824, WALTER GRINDSTAFF PROSPECT
(mica)

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 plagioclase, 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.

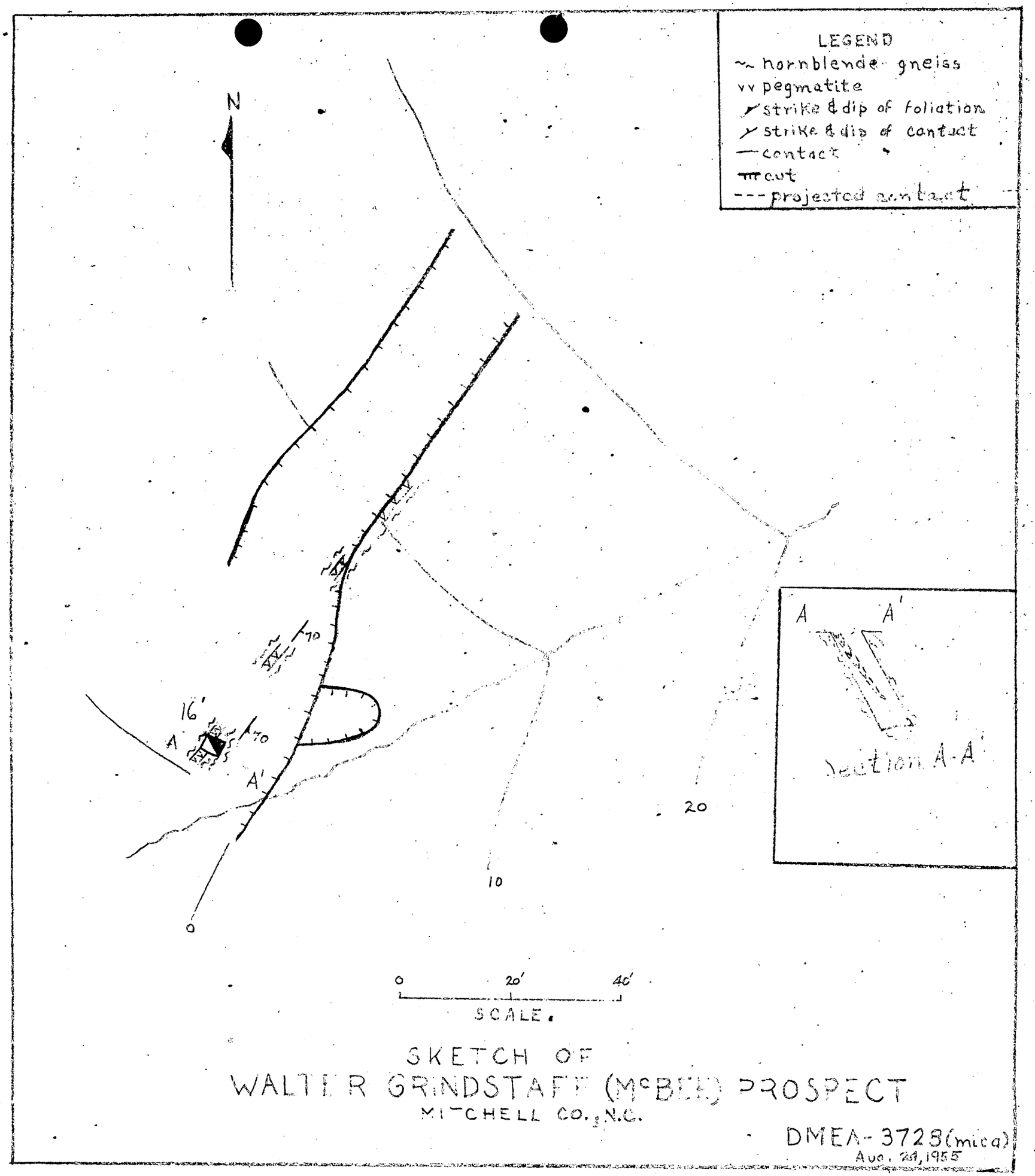
No reserves of strategic mica were revealed by the work done under the contract.

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. 29, 1955

6X3

SEP - 7 1955

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

Subject: Docket No. DVE-3723 - Plan
Walter Grindstaff and
Lucian Grindstaff
Walter Grindstaff Prospect
Mitchell County, North Carolina
Contract No. AT(40-1)-524

Dear Mr. Lawrence:

Reference is made to your memorandum dated August 2[illegible], 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. 3[illegible], June 30, 1954 employing the form, "No. 6 Termination Agreement (all contract forms NF-230, NF-230A)".

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

/s/ N. E. Nelson
Member, Geological Survey

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

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

WASHINGTON 25, D.C.

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, Acting
Executive Officer, DMEA
Region V

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

D.A/sm
cc:
Lynch
Shirley
Files

RECEIVED
AUG 31 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

INTERIM REPORT

DMEA-3728, Idm-E824 (misa) 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, Mining Engineer
U. S. Bureau of Mines

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

August 10, 1955

RECEIVED
AUG 22 1955

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

9

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July 1955 Docket No. DMEA 3723 Contract No. Idm-E 824

Operator's Name Walter and Lucian Grindstaff Mica

Address Route 3, Bakersville, N. C.

RECEIVED AUG 8 1955

Contract Amount, $ 5264.00 Government Participation: 75 % Amount 3948.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
10 hr. Bulldozing @ 10.00 hr.	100.00		100.00			
Crosscutting						
Drifting						
16' Shaft @ 45.00 ft.	720.00		720.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs	75.00		75.00			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder Magazine	25.00		25.00			
Exploder Magazine	14.00		14.00			
(8) Contingencies (specify):						
TOTALS	934.00		934.00	934.00		934.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8-1-55 *Payee Walter & Lucian Grindstaff

Per Walter Grindstaff Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$700.50

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 4 1955 Vou. No.
(See other side)

233.50

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E824 in accordance with the terms of the contract.

Signature Keffan H. Teague Title Geologist, U.S.G.S. Date 8/3/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 3 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3728 Contract No. Idm-S 824
Operator's Name Walter and Lucian Grindstaff Minerals Mica
Address Route 3, Dobersville, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
16' Shafts @ 45.00	Ft.	720.00	16	720.00	16	45.00	50	45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
10 hr. Bulldozing @ 10.00	Hr.	100.00	10	100.00	10	10.00	10	10.00
Total Distributed Costs		820.00		820.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		75.00		75.00				
Powder & Exploder Magazines		39.00		39.00				
Total Costs		934.00		934.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8-1-55 Operator Walter & Lucian Grindstaff

Per Walter Grindstaff Title Partner

NOTE.—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.

(Instructions on reverse)

Remarks:

(For Government use only) Keyton H. Teague, Geologist

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
AUG - 8 1955

OPERATOR'S

Monthly Report of Progress

July, 1955

DMEA-3723

Idm-E 824

Work Began: July 4, 1955

Work Accomplished:

We moved in hoist and compressor, set up mask and boom pole, constructed tool house, powder and exploder magazines. Bulldozing was completed before moving in. We sank the shaft a total of 16', and almost at the surface we recovered about 150# of good mica. The Shaft is now is slate and hard material.

Daily Notes:

July 4 - 8	Moved in bulldozer and completed the dozing work. We then moved in hoist and compressor, set up mask and boom pole.
July 11-15	Began work on toolhouse and magazines. Completed construction on these, and prepared to lower shaft.
July 18-22	Near surface we picked up some mica, recovering about 150#. Drilled, shot and mucked and shaft went down.
July 25-29	Continued down with shaft, now in slate and hard material. Drilled, shot, then mucked. One man hired in addition to two partners who are working. No outstanding difficulties.

Phillips Brothers

Spruce Pine,

N.C.

July 5, 1955

Mr. Walter Grindstaff
Walt Mining Company
Spruce Pine, N. C.

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AUG - 8 1955

10 hr.	Bulldozing @ $10.00 hr.		$ 100.00

I certify that this is a true and correct bill of bulldozing done at the Walt Grindstaff Prospect.

F. S. Phillips

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, Mining Engineer
U. S. Bureau of Mines

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

July 26, 1955

RECEIVED
JUL 25 1955

INTERIM REPORT

DMEA-3726 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, Mining Engineer
U. S. Bureau of Mines

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

July 13, 1955

JUN 2 4 1955 600

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 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 W. F. Dietrich of the Bureau of Mines, dated May 16, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 18

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

MAY 2 6 1955

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

Re: Docket No. DMSA-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 $3,945.00 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. Killingsard, 5222
Mr. Dietrich, 3061
Mr. Houk

IN REPLY REFER TO:

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

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

NENelson:hlm
G-5/12/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061 Interior

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

Defense Minerals Administration
RECEIVED
MAY 2, 8 1955

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.

Signed

W. F. Dietrich

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-3725 (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. Killagaard, GS
L. G. Houk
W. F. Dietrich, BM
H. C. Rubin
Chron. File
Pending File

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

April 28, 1955

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 - 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

V. J. Lynch
Member, Bureau of Mines

RAL/am
cc:
Lynch
Shirley
Files

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

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. Opencut?

Estimated Cost:

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

Estimated Cost - con'd.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
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2 - 1955

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

Drive 80 feet of level (40 shifts)

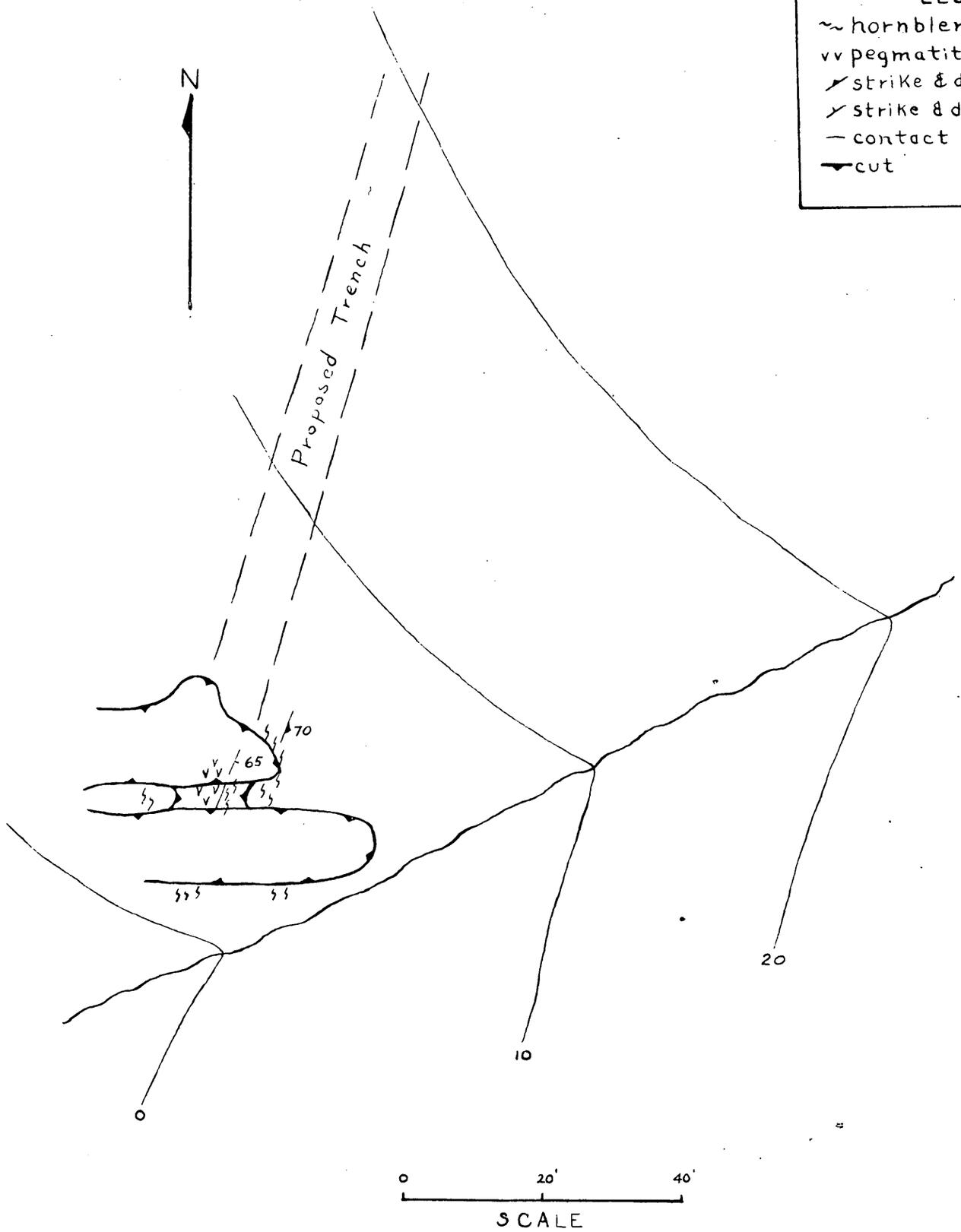
Labor:		
1 - miner @ $1.50/hr.	480.00	
1 - Hoistman @ $1.25/hr.	400.00	
2 - Laborers @ $1.00/hr.	640.00	
Equipment (rental)		
Compressor, pump, drill and Jackleg @ $250/Mo.	500.00	
Hoist @ $50/Mo.	100.00	
Supplies:		
Explosives	240.00	
Gasoline and oil	160.00	
Drill steel	100.00	
Small tools	50.00	
Miscellaneous	50.00	
Insurance and Social Security	80.00	$2,800.00

Estimated Total Cost..... ~~$5,263.00~~ $5264.00

Gov. Part Sh = 3948.22

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

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



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

DMEA-3728 (mica)
April 21, 1955

APR 1 1 1955

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

Re: Docket No. DMA-3726 - 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 Strategic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Lawrence, 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. Mitchell

Administrator

Enclosures 7

JHopkins:ed 4/4/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V

Mr. Killegnard, 5222
Mr. Dietrich, 3041
Mr. Hook

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 - Miss 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

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
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

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.

Signed

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

ELNewcomb:hlm
G-3/24/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061 Interior