DMEA 3801

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED 5-4-55
2	CONTRACT	DATE 6-28-55
3	TERMINATION AGREEMENT	DATE
4	CERTIFICATION	DATE
5	AUDIT REPORT	DATE
6	AMENDMENTS - NUMBERS	DATE

Docket Copy

TERMINATION AGREEMENT

It is agreed this 20th 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 Dave Wise and Ray Wise, partners, hereinafter called the "Operators," parties of that certain Exploration Project Contract Idm-E836, Docket No. DMEA-3801, dated 1st day of July 1955, hereinafter called the "Contract," that:

1. Effective August 25, 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 cost 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.

THE UNITED STATES OF AMERICA

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

By D. Dave Wise
Dave Wise, Partner

By Ray Wise
Ray Wise, Partner.

J. L. Krause
Talbert

Docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3801

Commodity Mica

Contract No. Idm-E 836

RECEIVED
JUL 11 1955

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

It is agreed this 1st day of July, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Dave Wise and Ray Wise, partners,

whose mailing address is Route #3
Newland, 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 Cleveland, 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: Consent to Lien of lessors.

[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—70619-1

(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 22, 1955 shall commence the work, and on or before November 30, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,100.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $2,325.00: *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.

DAVE WISE and RAY WISE, partners
(Operator)

By Ray Wise (Partner)

By Dave Wise (Partner)

THE UNITED STATES OF AMERICA

By O. P. Mitteudorf
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

EXPLORATION PROJECT CONTRACT
DAVE WISE and RAY WISE
DOCKET NO. DMEA-3801

ANNEX I

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

> BEGINNING in the L. B. Harris and Fred Toney line at a stake about 300 feet South of the mine workings and runs with said line North 420 feet to an iron stake; thence East 500 feet to an iron stake; thence South 420 feet to an iron stake; thence West 500 feet to the BEGINNING, containing 5 acres more or less.

EXPLORATION PROJECT CONTRACT
DAVE WISE and RAY WISE
DOCKET NO. DMEA-3801

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown, in part, on the map entitled "Sketch of Toney Mine, Cleveland Co., N. C. DMEA-3801," attached hereto and made a part hereof. The work shall consist of the following:

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

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

2. Trim and crib existing test pit and cut to original surface, a distance of 18 feet.

3. Extend the enlarged test pit (item 2) as a shaft for 30 feet, to a new depth of 48 feet.

4. At a point 5 feet above the bottom of the shaft, drive 50 feet of drifts on the pegmatite.

All work shall be timbered as necessary.

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

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

Fixed Unit Costs

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

Construct:		
Toolhouse 1/	$ 75.00	
Powder magazine 1/	26.00	
Exploder magazine 1/	14.00	
Trim and crib existing test pit, 18 feet @ $7.50/ft.	135.00	
Sink 30 feet of shaft @ $40.00/ft.	1,200.00	
Drive 50 feet of drifts @ $33.00/ft.	1,650.00	
Estimated Total Cost of Project		$3,100.00
Government Participation @ 75%		$2,325.00

1/ The completed work constitutes the unit.

MF-203
Revised March 24, 1955

RECEIVED
JUN 15 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

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

_____

_____

_____,

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

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

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

_____

_____

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

---

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

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

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

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

5. Added provision: _____

Dated this 2nd day of June, 1955.

Fred Toney [Seal]

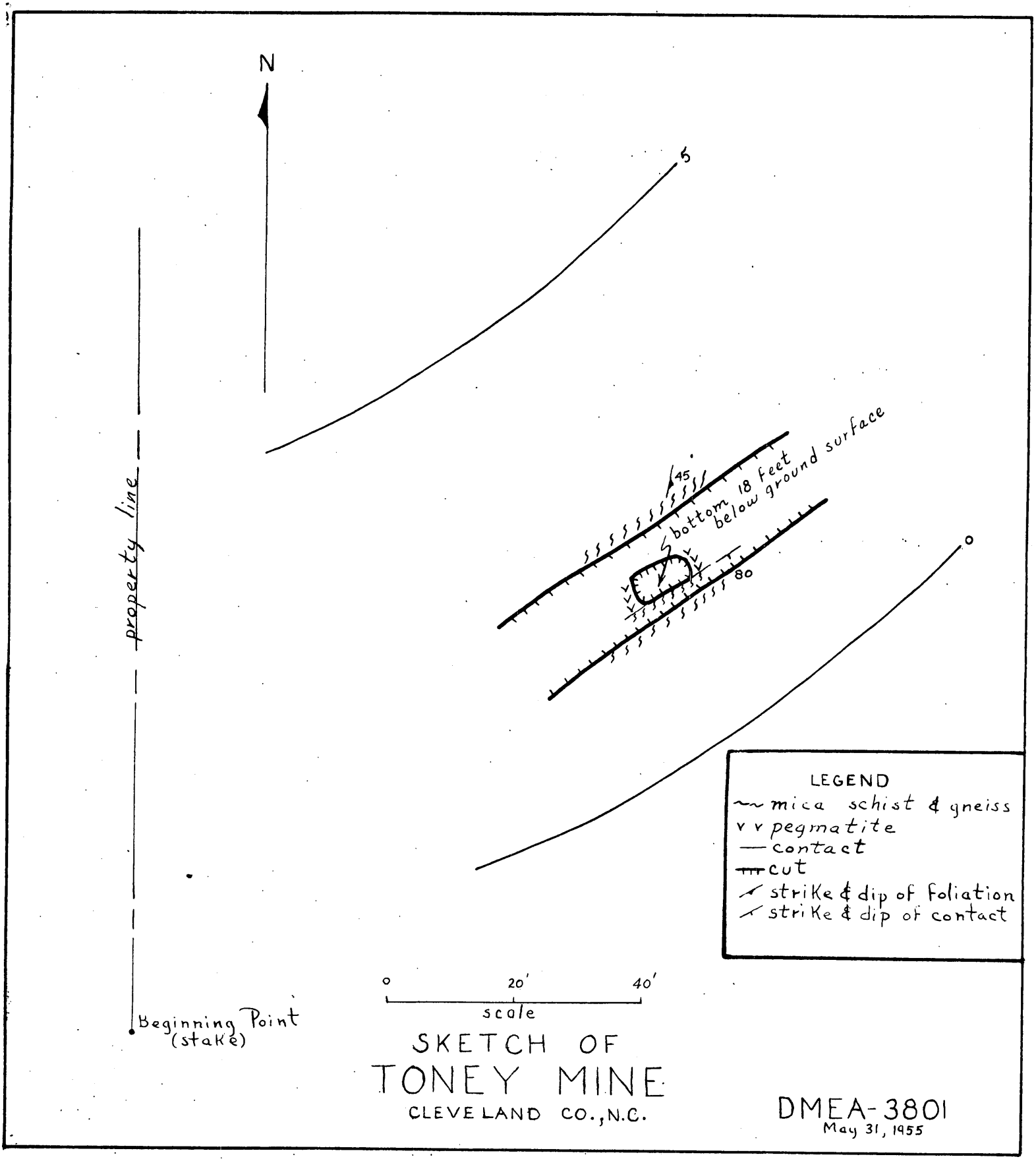
Lois Toney [Seal]

_____ [Seal]

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

_____

[Corporate Seal]



SKETCH OF
TONEY MINE
CLEVELAND CO., N.C.

DMEA-3801
May 31, 1955

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

DOCKET COPY
Surname:

SEP 21 1956

Messrs. Dave Wise and Ray Wise
Route #3
Newland, North Carolina

Re: Docket No. DMEA-3801-mica
Dave Wise and Ray Wise
Toney Mine
Cleveland County, North Carolina
Contract No. Idm-E836

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 9/19/56
Copy to: Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File
Mr. and Mrs. Fred Toney (landowners)....To Field for forwarding

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

Project Summary Report

September 20, 1956

By: James Hopkins

1. Docket No. DMEA-3801-mica
Dave Wise and Ray Wise
Toney Mine
Cleveland County, North Carolina
Contract No. Idm-E836

Operators: Dave Wise and Ray Wise
Route #3
Newland, North Carolina

Operators' Property Rights:
Lessee of the mineral rights on land owned by Fred and Lois Toney.

2. Contract: dated July 1, 1955

(a) Work Authorized:

Construction - buildings	$ 115.00
Trim and Crib Test Pit 18 ft. @ $7.50/ft.	135.00
Shaft Sinking 30 ft. @ $40.00/ft.	1,200.00
Drifting 50 ft. @ $33.00/ft.	1,650.00
Estimated Total Cost	$3,100.00

(b) Amendments - none

(c) Work Completed:

Trim and Crib 18' of Pit @ $7.50/ft.	$ 135.00
Shaft Sinking 25 ft. @ $40.00/ft.	1,000.00
Drifting 24 ft. @ $33.00/ft.	792.00
Total Cost of Project	$1,927.00

Work began July 9, 1955 and ended August 22, 1955.
Contract terminated by mutual agreement September 20, 1955.
Final Field Team Report dated September 27, 1955.
Final Operator's Report waived by the Field Team.

3. Audit: Report of Review dated September 7, 1955.

Total Cost as billed by the operators	$1,927.00
Exceptions	none
Total Accepted Cost	$1,927.00
Government participation	$1,445.25

4. Certification of Discovery - none issued.

5. Comments:

Geologic Premise upon which work was based:

This project was established to explore a pegmatite that had yielded about 1,000# of run-of-mine book mica from a 10-foot test pit. The mica was of excellent quality and additional reserves appear to be present. The pegmatite is 5' to 6' wide and is exposed over a strike length of 40 feet. It is disconformable to the mica sillimanite schist.

Geologic Criteria developed during the project:

A disconformable pegmatite that "feathered-out" down-dip was exposed by the underground workings.

About 100 lbs. of "mine-run" mica was recovered during the project.

The pegmatite body which is about 6' thick at the surface thins gradually down-dip and branches at 25 feet below the surface.

The project was completed in a satisfactory manner.

No reserves were indicated.

No mica was sold, therefore, no royalty is due.

Future Possibilities:

No additional exploratory work is warranted.

Recommendations:

Because the pegmatite "feathered-out" down-dip and there was no reason to expect that a mica concentration would be found, the Field Team recommended that no certification be issued.

The Nonmetallic Minerals Division and the Commodity Divisions of the Geological Survey and Bureau of Mines concur in the recommendation.

James Hopkins

DOCKET COPY
Surname:

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

MAY 3 1 1956

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

Dear Mr. Laurence:

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

Docket No. DMEA	Contract No. Idm	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification (6 mos. from date Final Report)
3726	E813	1100 lbs.	Unknown	?	None	April 27, 1956
3801	E836	100 lbs.	Unknown	?	None	March 27, 1956
3815	E848	60 lbs.	Unknown	?	None	April 30, 1956
3926	E881	200 lbs.	$112.00	$5.60	None	Aug. 14, 1956
3930	E872	250 lbs.	$175.00 (about)	$8.75	None	June 30, 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.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

JHopkins:ms 5/17/56
Copy to: Docket(5)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk(5)
Admr. R. File

R.C.L.

Docket Copy
Surname:

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

November 4, 1955

Memorandum

To: Associate Solicitor, Defense Minerals

From: Lawrence G. Houk

Subject: Termination Agreements

Reference is made to the attached memorandum from the Executive Officer, Region V, questioning the need of including Item 3 in the Termination Agreement (all contract forms - MF-200, MF-200A) when Items 2 or 2 prime are used. Perhaps Item 3 has a broader application which is not apparent to the writer.

It is suggested that the Solicitor's Office prepare a reply to Mr. Laurence's memorandum to the Operating Committee of October 26, 1955.

LGHouk:gad 11/4/55
Copy to: Admr. R. File
Docket
Mr. Houk

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

RECEIVED
OCT 14 1955

October 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3801 (mica)

Applicant: Dave and Ray Wise

Name and Location of Property: Toney Mine, Cleveland County, N. C.

Contract Number: Idm-E 836

Date of Field Team Report: 9/27/55

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

Field Team Recommendation: Recommend no certification of discovery be issued.

Comments:

1. The pegmatite did not extend in depth, thus no reserves of mica were disclosed.

2. The royalty on mica produced during exploration should be collected.

3. Expenditures -

Total approved	$3,100.00
Total cost	1,927.00
Gov't share of the cost	1,445.25
Value of production during operation	unknown

Recommendation: I concur with the recommendation of the field team.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED

October 5, 1955

Re: DMEA 3801, Idm-E836
Dave and Ray Wise
Toney Mine
Cleveland Co., N. C.
$3,100 - 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.

Of the $3,100 approved for this project, $1,927 was expended in cleaning out and extending a shaft 25 feet and drifting 25 feet.

The work showed the pegmatite to be pinching out. About 100 pounds of mine run mica was recovered mostly near the bottom of the vertical part of the shaft.

The contract was terminated by agreement. The examiners and Field Team concluded no discovery was made and little strategic mica was put in reserve.

I concur with the recommendation of the Field Team that certification should not be made.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 75, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 29, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: Termination Agreement - DMEA-3801, Idm-E836, Dave & Ray Wise.

Transmitted are three signed copies of the subject termination agreement.

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

Wm. A. Beck

Wm. A. Beck

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

WASHINGTON

RECEIVED
SEP 2 9 1955

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.

V. J. Lynch
V. J. Lynch, Acting
EXECUTIVE OFFICER
DMEA REGION V

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

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

RECEIVED
SEP 2 3 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM, REGION V

On

DMEA-3801, TONEY MINE (mica)
Cleveland County, N. C.

By

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

and

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

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

September 27, 1955

FINAL REPORT

DMEA-3801, Idm-E836, TONEY MINE
(mica)

RECEIVED
SEP 29 1955

Operators: Dave and Ray Wise, Route # 3, Newland, North Carolina

Location: In the western edge of Cleveland County, 2.5 airline miles S. 66° East of Ellenboro, N. C.

Limited underground work at this mine revealed that the pegmatite did not extend downdip; thus, the contract was terminated by mutual agreement. No certification of discovery should be issued nor is additional exploratory work warranted.

Work under the contract began July 9, 1955 and ended August 22, 1955. An existing 18-foot vertical shaft was cleaned out, trimmed and timbered then sunk an additional 7 feet. At this point an incline was begun in order to remain with the pegmatite and was sunk 18 feet due east at a -30° inclination. From this incline a drift was driven 25 feet in a N. 50° E. direction (see attached sketch map). This work revealed that the pegmatite bottomed; thus the contract was terminated by mutual agreement, effective August 25, 1955.

A disconformable pemgatite which "feathered out" down dip was exposed by the underground workings. It strikes N. 50-80° E. and dips 30-65° SE. The body is about 6 feet thick at the surface but thins gradually downdip and branches about 25 feet below the surface. These branches terminate about 30 feet below the surface. The pemgaitte consists of plagioclase, quartz, perthite, and muscovite, in order of abundance. The quartz and muscovite tend to be concentrated in pods. Enclosing country rock is interlayered mica-sillimanite schist and fine-grained granite.

About 100 pounds of "mine-run" mica were recovered from the opening made under the contract, mostly from near the bottom of the vertical shaft. It is ruby-colored, clear and hard. Some was cracked and clay-stained. In general, the quality was excellent, except very small.

No significant reserves of strategic mica were revealed by the work.

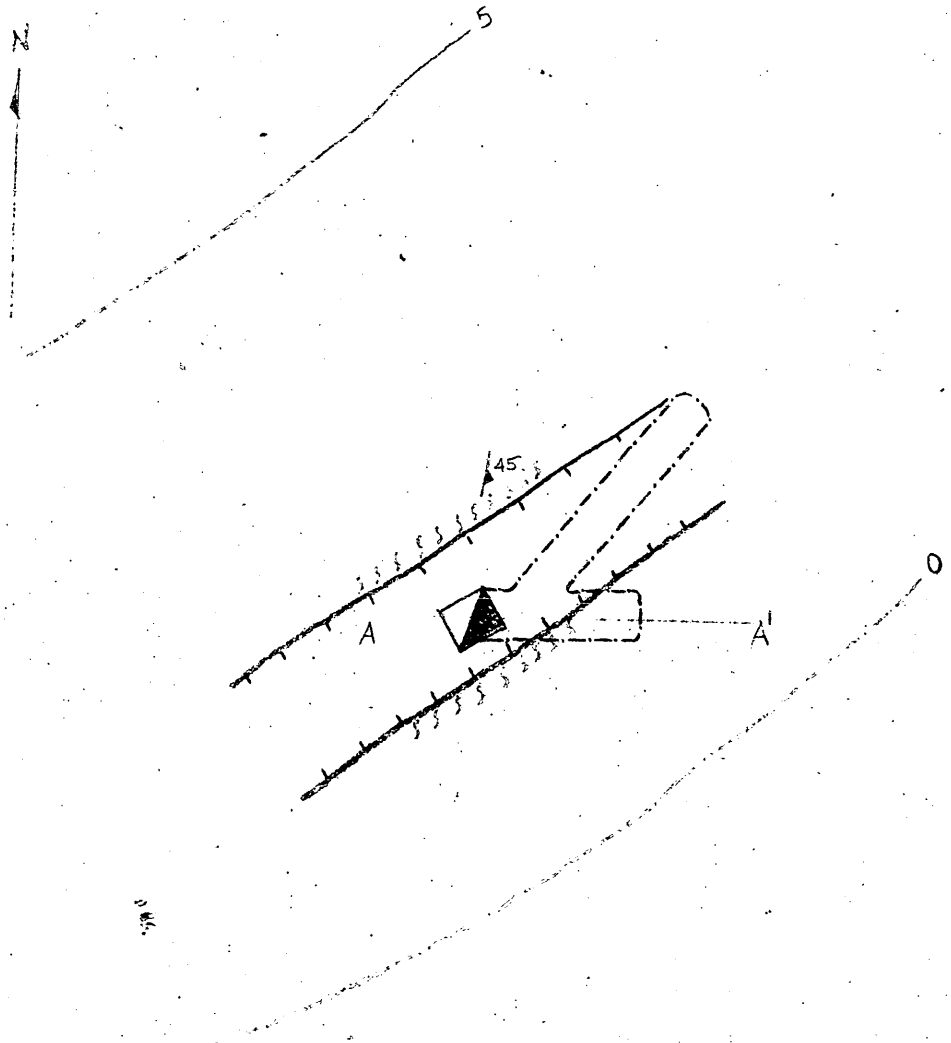
Expenditures:	(a)	Total approved	$3,100.00
	(b)	Total cost of project	1,927.00
	(c)	Government's share of cost	1,445.25
	(d)	Government's share unexpended	879.75
	(e)	Value of production during opr	?
	(f)	Royalty received to date	none

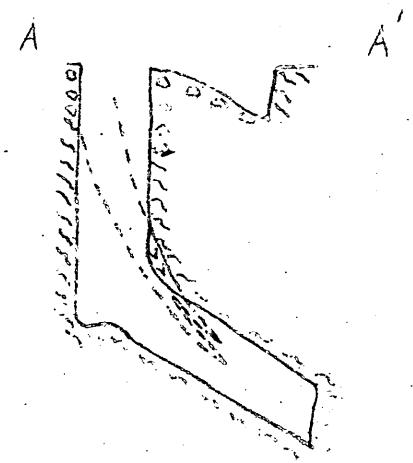
The work completed under the contract was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

September 27, 1955

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

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





Section A-A'

LEGEND

- mica-sillimanite schist
- pegmatite
- contact
- cut
- strike & dip of foliation
- projected contact
- outline of underground works

0 20' 40'
scale

SKETCH OF TONEY MINE

CLEVELAND CO., N.C.

DMEA-3501
Aug. 25, 1955

RECEIVED
SEP 29 1955

Docket File
Surname:

Hopkins
Houk
Selfridge
Whitenhof

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

SEP 12 1955

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

Subject: Docket No. DMEA-3801 - Mica
Dave Wise and Ray Wise
Toney Mine
Cleveland County, North Carolina
Contract No. Idm-[illegible]36

Dear Mr. Laurence:

Reference is made to your memorandum dated August 30, 1955, requesting permission to terminate the subject contract by mutual consent.

Approval is granted to terminate the subject contract effective August 25, 1955, in accordance with the provisions of DMEA Circular No. 33, June 30, 1954, employing the form "No. 6 Termination Agreement (all contract forms MF-200, MF-200A)".

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Approved:

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

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

JHopkins:pk 9/7/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
~~[illegible]~~
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

R.O.B.

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

RECEIVED
SEP - 1 1955

August 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3801, Idm-E836, TONEY MINE, 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 25, 1955.

Certification of discovery will not be recommended.

V. J. Lynch

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

K. H. Teague

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

RECEIVED
SEP - 1 1955

INTERIM REPORT

DMEA-3801, Idm-E836, (mica) TONEY MINE

Operator: Dave and Ray Wise, Route #3, Newland, North Carolina

Location: In the western edge of Cleveland County, 2.5 airline miles S 66° E of Ellenboro, North Carolina.

Work completed to date under this contract consists of rehabilitating and timbering an existing 18-foot shaft, sinking this shaft an additional 25 feet (the last 18 feet of which was inclined) and driving 25 feet of drift. The drift was made in a N. 50° E direction from the incline.

Material encountered in the drift and the shaft is interlayered fine-grained pegmatite, granite and mica-sillimanite schist. The only muscovite recovered that was large enough to yield sheet mica was found in the shaft adjacent to a small quartz pod.

It is the opinion of the field examiners that no further work under this contract is warranted because of the absence of a well-defined ,oca-bearing pegmatite. It is recommended that the contract be terminated by mutual agreement. The Operators are in agreement.

Date of Exam: August 25, 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-3801, Idm-E836 (mica) TONEY MINE

OPERATOR: Dave Wise and Ray Wise, Route #3, Newland, North Carolina

LOCATION: In the western edge of Cleveland County, 2.5 airline miles S66°E of Ellenboro, North Carolina

Incline shaft sinking has continued from the vertical portion previously sunk and new work totals 25 feet. 18 feet of incline has been driven due east on a 30° slope in a mixture of quartz, barren granitic stringers, and mica schist country rock. The first 6 feet of incline work encountered massive quartz on the north wall. Surrounding material contains muscovite scales, and the only mica recovery came from this area. Instructions were given for turning off to the northeast, following this massive quartz, in an effort to encounter more mica-bearing pegmatite.

Cribbing has been necessary in the vertical portion of the shaft. The incline has been timbered with stulls and top lagging back to the present face. Due to the weathered condition of the rock, timbering was recommended for additional drift work. Progress on this contract has been satisfactory.

RECEIVED
AUG 22 1955

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

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

August 11, 1955

RECEIVED
AUG - 8 1955

INTERIM REPORT

DMEA-3801, Idm-E836 (mica) TONEY MINE

OPERATOR: Dave Wise and Ray Wise, Route #3, Newland, N. C.

LOCATION: In the western edge of Cleveland County, 2.5 airline miles S66°E of Ellenboro, N. C.

The starting date on this contract is July 17, 1955. Vertical shaft sinking is underway and is now at 10 feet. The pegmatite strikes N80°E, and the dip has changed from 65°SE at the surface, to 40°SE at the present depth. The operator was advised to start inclining with the body at this depth, and to continue sinking until another visit can be made. Material encountered is fine grained pegmatite containing small scrap size mica, and an occasional block of sheet mica.

The vertical shaft section has been cribbed with mixed 2" x 6" sawed lumber. It was suggested that additional timbering be accomplished at the surface opening. 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

July 28, 1955

Docket File:
Surname:
FLKnouse
Martin
FHBowers
MHenderson

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

JUL 19 1955

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

Subject: Docket No. DMEA-3793 - Mica
J. R. Beam and John Phillips
Willie Shanty Mine
Yancey County, North Carolina
Contract No. Idm-E832

Docket No. DMEA-3801 - Mica
Dave Wise, et al.
Toney Mine
Cleveland County, North Carolina
Contract No. Idm-E836

Dear Mr. Laurence:

This will acknowledge receipt of your memorandum, dated July 11, 1955, commenting on the subject contracts and recommending changes in future contracts to explore pegmatites for mica that would simplify the administration problem.

We wish to thank you for your comments on this question and also assure you of our future cooperation.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JB)

Approved:

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

Thor H. Kiilsgaard (JB)
Member, Geological Survey

FLKnouse:pk 7/15/55
Copy to: Admr. R. File
Docket 3801
Docket 3793
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

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

July 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer - DMEA Field Team, Region 5

Subject: Signed Contract - DMEA-3801, Idm-E836, Dave & Ray Wise (mica) Newland, N. C.

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

Robert A Laurence

Robert A. Laurence

RECEIVED
JUL 11 1955

Dock
Sur

Hopk
Cherm
Houk
Selfridge
Kjelmen

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

JUL - 1 1955

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

Subject: Docket No. DMEA-3801 - Mica
Dave Wise and Ray Wise
Toney Mine
Cleveland County, North Carolina

Dear Mr. Laurence:

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

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

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 June 23, 1955, and from W. F. Dietrich of the Bureau of Mines, dated June 27, 1955, are enclosed. The applicant's copy of the lease is also enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures 11

JHopkins:pk 6/28/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

RECEIVED
JUN 28 1955

June 27, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3801 (mica)

Applicant: D. Wise and R. Wise

Name and Location of Property: Toney Mine,
Cleveland County, North Carolina

Date of Field Team Report: June 13, 1955

Date Rec'd by Br. of Ceramic & Fertilizer Materials: June 23, 1955

Field Team Recommendation: Recommend exploration program

Comments:

1. The possibility of encountering strategic mica is considered good.

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 with the field team's recommendation for an exploration program at a cost of $3,108.00.

W. F. Dietrich

W. F. Dietrich

Copy

Docket No. DMEA-3801 - Mica

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

MINING LEASE

This indenture made this 20 day of May, 1955, between Fred Toney and wife, Lois Toney of Cleveland County, North Carolina, as party of the first part, and known as lessors, and Dave Wise and Ray Wise of Avery County, North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of one dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargins, leases and grants to the party of the second part, and their heirs and assigns, for the period of five years from the date of this instrument, the following described real property, for mining purposes, in the County and State first above written and being a part of the Fred Toney Homeplace, to-wit:

> BEGINNING in the L. B. Harris and Fred Toney line at a stake about 300 feet South of the mine workings and runs with said line North 420 feet to an iron stake; thence East 500 feet to an iron stake; thence South 420 feet to an iron stake; thence West 500 feet to the BEGINNING, containing 5 acres more or less.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, Metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to corry on such mining operations 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 lands upon which exploration is being conducted.

AND IT IS FURTHER AGREED THAT the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 12½ per cent on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

Docket No. DMEA-3801 - Mica

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

MINING LEASE

This indenture made this 20 day of May, 1955, between Fred Toney and wife, Lois Toney of Cleveland County, North Carolina, as party of the first part, and known as lessors, and Dave Wise and Ray Wise of Avery County, North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of one dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargins, leases and grants to the party of the second part, and their heirs and assigns, for the period of five years from the date of this instrument, the following described real property, for mining purposes, in the County and State first above written and being a part of the Fred Toney Homeplace, to-wit:

> BEGINNING in the L. B. Harris and Fred Toney line at a stake about 300 feet South of the mine workings and runs with said line North 420 feet to an iron stake; thence East 500 feet to an iron stake; thence South 420 feet to an iron stake; thence West 500 feet to the BEGINNING, containing 5 acres more or less.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, Metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to corry on such mining operations 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 lands upon which exploration is being conducted.

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STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

MINING LEASE

This indenture made this 20 day of May, 1955, between Fred Toney and wife, Lois Toney of Cleveland County, North Carolina, as party of the first part, and known as lessors, and Dave Wise and Ray Wise of Avery County, North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of one dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargins, leases and grants to the party of the second part, and their heirs and assigns, for the period of five years from the date of this instrument, the following described real property, for mining purposes, in the County and State first above written and being a part of the Fred Toney Homeplace, to-wit:

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TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, Metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operations 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 lands upon which exploration is being conducted.

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Docket No. DMEA-3801 - Mica

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

MINING LEASE

This indenture made this 20 day of May, 1955, between Fred Toney and wife, Lois Toney of Cleveland County, North Carolina, as party of the first part, and known as lessors, and Dave Wise and May Wise of Avery County, North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of one dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargins, leases and grants to the party of the second part, and their heirs and assigns, for the period of five years from the date of this instrument, the following described real property, for mining purposes, in the County and State first above written and being a part of the Fred Toney Homeplace, to-wit:

> BEGINNING in the L. B. Harris and Fred Toney line at a stake about 300 feet South of the mine workings and runs with said line North 420 feet to an iron stake; thence East 500 feet to an iron stake; thence South 420 feet to an iron stake; thence West 500 feet to the BEGINNING, containing 5 acres more or less.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, Metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operations 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 lands upon which exploration is bei conducted.

AND IT IS FURTHER AGREED THAT the party of the second part lessee hereby agrees to pay to the said part of the first part, or their heirs or assigns, a rental royalty of 12½ per cent on the min taken and sold from said mines which shall be for the use of the s for the aforesaid period of five years. The said amounts shall b on the computation of selling bills on the tenth day of each mon ing sales made during the previous month. Any minerals other th set forth above which may be taken and sold shall be paid for a usual royalty rate of the minerals taken.

Docket No. DMEA-3801 - Mica

STATE OF NORTH CAROLINA
COUNTY OF CLEVELAND

MINING LEASE

This indenture made this 20 day of May, 1955, between Fred Toney and wife, Lois Toney of Cleveland County, North Carolina, as party of the first part, and known as lessors, and Dave Wise and Ray Wise of Avery County, North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of one dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargins, leases and grants to the party of the second part, and their heirs and assigns, for the period of five years from the date of this instrument, the following described real property, for mining purposes, in the County and State first above written and being a part of the Fred Toney Homeplace, to-wit:

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

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 lessee. 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:

_____ _____(SEAL)

_____(SEAL)

_____(SEAL)

_____(SEAL)

Personally appeared before me this day Fred Toney and wife Lois Toney, Dave Wise and Ray Wise, who acknowledged the due execution of the foregoing Lease.

Witness my hand and seal this the 20th day of May, 1955.

_____
Notary Public

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

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_____(SEAL)

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Notary Public

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_____ _____(SEAL)

_____(SEAL)

_____(SEAL)

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Witness my hand and seal this the 20th day of May, 1955.

_____
Notary Public

IN REPLY REFER TO:

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

RECEIVED
JUN 4 1955

June 23, 1955

Re: DMEA-3801
Dave and Ray Wise
Toney Mine
Cleveland Co., N. C.
$3,108.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report

This modest program should afford a fair test of this promising pegmatite.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

Copy

June 13, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Production from Completed Uncertified Projects.

Reference is made to your letter of May 23, requesting information on production and royalties due from several uncertified projects:

Following is all the information we have been able to obtain from a check of the Spruce Pine Depot records and from the Operators:

Docket No.	Date of sale	Lbs.	Value
DMEA-3726	11/15/55	29.81	$243.06
~~DMEA-3801~~	none		
DMEA-3815	none		
DMEA-3926	none		
DMEA-3930	none		

In most of these cases the small amount of mica recovered during the project was not good enough to make a sale. It appears that royalty is due only on DMEA-3726, Idm-E813, from which $12.15 is due.

V. J. Lynch, Member
Bureau of Mines

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

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

June 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report, DMEA-3801 (mica) Dave and Ray Wise, Newland, N. C. Toney Mine, Cleveland County, N. C.

Enclosed are four copies of the subject examination report, accompanied by six extra copies of a new Consent to Lien, a copy of the lease and six extra copies of the sketch map.

Please note that, although the application was originally submitted by Dave and Ray Wise and M. Grindstaff, the lease is to Dave and Ray Wise. The Applicants advised us that Mr. Grindstaff is no longer interested in the project. If a contract is approved, it should be with Dave and Ray Wise as Operators.

This examination was made without referral from Washington, as the examiners were in the vicinity on other inspections.

We recommend approval of a contract, on a unit-cost basis as outlined in the report.

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

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

RECEIVED
JUN 15 1955

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

On

DMEA-3801 (mica) TONEY MINE
Cleveland County, N. C.

BY

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

May 31, 1955

RECEIVED
JUN 15 1955

Reviewed by
DMEA OPERATING COMMITTEE
6-20-55
(date)

FIELD EXAMINATION REPORT
ON
DMEA-3801 (mica) TONEY MINE

Applicants: Dave and Ray Wise, Route # 3, Newland, North Carolina

Recent stripping and one 10-foot test pit has resulted in the recovery of about 1000 pounds of "run-of-mine" book mica from this deposit. The mica is of excellent quality and additional reserves appear to be present. Exploration assistance is recommended.

The deposit was examined on May 31, 1955. Messrs. Dave Wise, Ray Wise, and Charles Dillinger and Fred Toney accompanied the examiners on the inspection which required two hours.

The Toney Mine is in the western edge of Cleveland County, 2.5 airline miles S. 66° E. of Ellenboro, North Carolina. The prospect is in a cultivated field and is readily accessible.

The applicants have had considerable mica mining experience and appear competent to conduct the proposed work. Area included in their lease is adequate for the proposed work. A new lease and 6 copies of new Owner's Consent to Lien are attached. When the necessary information has been obtained from the lease, it should be returned to the applicants.

There are no facilities on the leased area. Work accomplished to date consists of a trench 20 feet wide, 8 feet deep and 50 feet long, which has been cut along the strike of the pegmatite. One 10-foot test pit has been sunk from the floor of the trench on the pegmatite.

The trench exposes pegmatite on its strike for a length of 40 feet. The pegmatite strikes N. 80° E., dips 65° SE., is from 5 to 6 feet thick, and is disconformable to the mica sillimanite schist wall rock. It is fine to medium in texture and is composed of soda feldspar, scattered fine quartz and muscovite. The mica is very abundant, although mostly in small sizes. Inclusions of wall rock are common.

The mica is ruby colored, clear, hard, and free splitting. About 50 percent is flat "A" and the remainder is flat. Bent and cracked books are not common. The property owner reports that during trenching and sinking of the one test pit approximately 1000 pounds of "run-of-mine" book mica was recovered. Books which weighed up to 20 pounds are reported, and the examiners saw processed mica in the possession of the property owner which measured 4" x 6" and was of "good stained" quality.

The Examiners believe this deposit warrants additional exploration. We recommend that the existing 10-foot test pit be trimmed and cribbed to the original ground surface (18 ft.), 30 feet of new shaft sunk on the pegmatite, and 50 feet of level driven from the shaft.

Estimated Cost:

Toolhouse	$75.00	
Powder Magazine	25.00	
Exploder Magazine	13.00	$113.00

Trim and crib existing test pit and cut to original ground surface, 18 ft. @ $7.50/ft. $135.00

Sink 30 feet of new shaft (15 shifts)

Labor:		
1 - miner @ $1.50/hr.	180.00	
1 - hoistman @ $1.25/hr.	150.00	
1 - laborer @ $1.00/hr.	120.00	
Equipment (rental)		
Compressor and drill @ $220/mo.	165.00	
Hoist @ $50/Mo.	37.50	
Supplies:		
Drill steel	50.00	
Explosives	100.00	
Gasoline and oil	60.00	
Timber, 2 M b. f. @ $65/M	130.00	
Small tools	50.00	
Miscellaneous	92.50	
Insurance & Social Security	75.00	$1,315.00

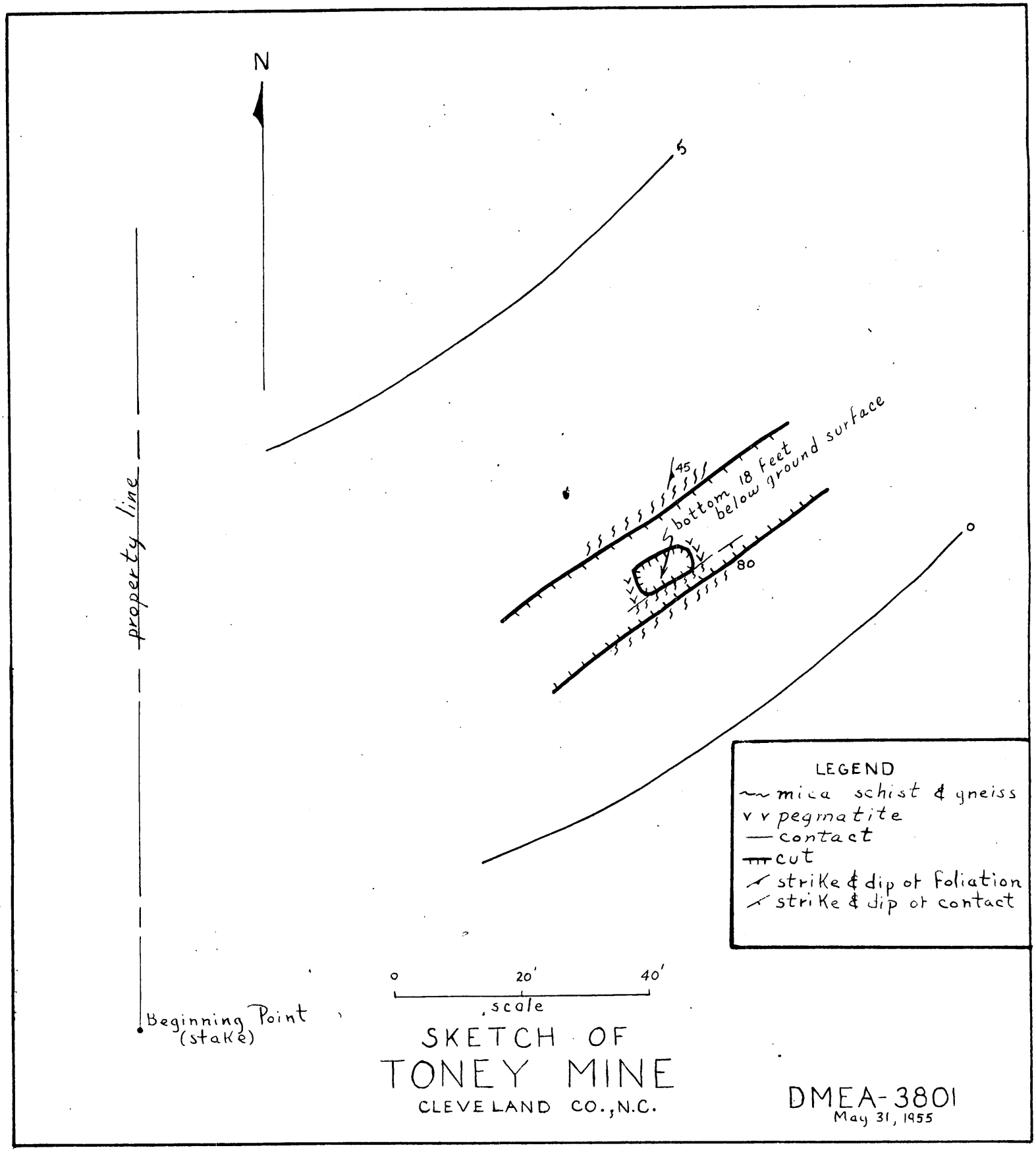
Drive 50 feet of drift (25 shifts)

Labor:		
1 - miner @ $1.50/hr.	300.00	
1 - hoistman @ $1.25/hr.	250.00	
1 - Laborer @ $1.00/hr.	200.00	
Equipment (rental)		
Compressor, drill and jackleg @ $230/Mo.	287.50	
Hoist @ $50/Mo.	62.50	
Supplies:		
Drill steel	50.00	
Explosives	150.00	
Gasoline and oil	80.00	
Small tools and pipe	50.00	
Miscellaneous	100.00	
Insurance and Social Security	120.00	$1,650.00

Estimated Total cost..... $3,108.00

June 9, 1955.

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



SKETCH OF
TONEY MINE
CLEVELAND CO., N.C.

DMEA-3801
May 31, 1955

Mr. Hofelicus

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

Defense Minerals Administration
MAY 1 9 1955

May 19, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3801 (mica)

Applicant: Dave Wise, Ray Wise, and Mack Grindstaff

Name and Location of Property: Toney Mine
Cleveland County, North Carolina

Date Application Rec'd. by Br. of Ceramic & Fertilizer Mtls.: 5/6/55

Comments:

1. Proposed exploration is not explicit and the estimate of expenditures should be made on a unit-cost basis.

2. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

3. The applicants report that Fred Toney recently sold about $800 worth of ruby mica from this property.

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

Docket Copy
Surname:

Hopkins
Houk
Mitchell

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

MAY 12 1955

Messrs. Dave Wise, Ray Wise and
Mack Grindstaff
Route 3
Newland, North Carolina

Re: Docket No. DMEA-3801 - Mica
Dave Wise, Ray Wise and
Mack Grindstaff
Toney Mine
Cleveland County, North Carolina

Gentlemen:

Reference is made to your application for exploration assistance, dated April 30, 1955, on the Toney Mine.

It is noted that the property under lease to you comprises a plot of ground 200 feet long by 60 feet deep containing .27 acre. This acreage is inadequate for an exploration project. The smallest area acceptable to DMEA would be the area benefited by the exploration work, the minimum being five acres.

If you are able to acquire this additional acreage, you should have your lease amended. You should then submit the new lease together with six executed copies of the enclosed Owner's Consent to Lien forms. A sketch or map of the property showing the location of the proposed work with reference to the boundary of the property would also be appreciated.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 7

JHopkins:gad 5/11/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

R.G.H.

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

May 10, 1955

Re: DMEA-3801
Wise, Wise and Mack
Grindstaff
Toney Mine
Newland, N. C.
$3,295.00 - Mica

Memorandum

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

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

Subject: Review of application

The application is brief but to the point. If $800.00 worth of good mica was won from a small scale working there might be more.

A Field Team report is recommended.

N. E. Nelson

N. E. Nelson

one copy of
mining lease
received

May 5, 1955
Subject: DMEA 3801
Re: Exploration Assistance
Toney Mine

Messrs. Dave Wise, Ray Wise, and
Mack Grindstaff
Route 3
Newland, North Carolina

Gentlemen:

The receipt of your application dated April 30, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3801 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

May 5, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA-3801 Dave Wise, Ray Wise, and Mack Grindstaff

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 405 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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

May 2, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application: Dave and Ray Wise and Mack Grindstaff, Newland, N.C.
Tony Mine (mica)

Transmitted are three copies of the subject application with mining lease and estimated cost and equipment statement attached.

This office has retained one copy of the application.

V. J. Lynch

V. J. Lynch, Acting

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

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

May 2, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application: Dave and Ray Wise and Mack Grindstaff, Newland, N.C.
Tony Mine (mica)

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This office has retained one copy of the application.

V. J. Lynch, Acting

ZM.
cc:
Lynch
Shirley
Files

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. 3801
Metal or Mineral Mica
Date Received 5-4-55
Estimated Cost $3,295
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: Dave Wise, Ray Wise and Mack Grindstaff, Rt 3, Newland, N. C.

(*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. Partnership

(*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 BEGINNING at a stake approximately 600 to 700 feet south of Fred Toney's house and runs thence west 200 feet to L. B. Harris line; thence with L. B. Harris line south 60 feet to an iron stake; thence east 200 ft. to an iron stake; thence north 60 feet to the BEGINNING.

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

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

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

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

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

RECEIVED
MAY - 2 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

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. See attached sheet

(*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. Vein

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

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

Manpower, materials, supplies, power and equipment all available.

16—66551-1

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

(*c*) The work will start within 30 days and be completed within 3 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. Several years

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

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

(*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

(*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 April 30, 1955

(Applicant)

By Mack Bindstaff

Dave Weise

Ray Weise

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

Department of the Interior
Bureau of Mines Minerals Administration
RECEIVED
MAY 4 - 1955

4(a) Fred Toney, the owner of the land, has mined this property on a very small scale about 30 days ago, but he does not know anything about mining or how to work up the mica.

(b) About $800.00 woth of ruby mica was sold from this mine by Mr. Toney. The mica that he sold tested out 85%.

(d) Located about 2½ miles east of town of Ellenboro on Highway #74 just in the edge of Cleveland County, North Carolina. The mine is located about 65 miles from U. S. Government Mica Depot in Spruce Pine, North Carolina. Easilly accessible to roads.

5(b) Desire to shaft a distance of 60 feet and drift 40 feet each way. This is my best estimate, but of course is subject to change after seeing what develops after operations begin.

6(a-g)

ESTIMATE OF COSTS:

Compressor Rent 3 months @ $100	$300.00
Hoist Rent, drill rent @$75	225.00
Explosives and Supplies	400.00
Tool House	200.00
Timber	150.00
Labor-4 hands-8 hrs. daily 5 days week for 12 weeks @ $1 per hour	1920.00
Fuel-Gasoline	100.00
	$3295.00

DEPARTMENT OF THE INTERIOR
Bureau of Mines Minerals Administration
RECEIVED
MAY 4 - 1955

MINING LEASE

State of North Carolina ~~Cleveland~~ County:

This indenture made this 28 day of April, 1955

between Fred Toney AND wife, Lois Toney

of Cleveland County and State of North Carolina as party of the first part, and known as lessor, and Dave Wise, Ray Wise and Mack Grindstaff

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

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

Beginning at a stake Approximately 600 to 700 feet South of Fred Toney's house and runs thence West 200 feet to L. B. Harris line thence with L. B. Harris line South 60 feet to an iron stake; thence East 200 feet to an iron Stake; thence North 60 feet to the point of beginning.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of ~~one-eight (twelve and one-half Percent)~~

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

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

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

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

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

Lois Toney Seal

Witness: George R. Monroe

Fred Toney (Seal)

Dave Wise (Seal)

Ray Wise (Seal)

Mack Grindstaff (Seal)

STATE OF NORTH CAROLINA

COUNTY OF RUTHERFORD

Personally appeared before me this date, Fred Toney, Dave Wise, Ray Wise and Mack Grindstaff, who acknowledged the due execution of the foregoing Mining Lease for the purposes and intent therein expressed.

Witness my hand and notarial seal this the 28th day of April, 1955.

Stella T. Morrow
Notary Public

MY COMMISSION EXPIRES JULY 8, 1956

STATE OF NORTH CAROLINA
COUNTY OF RUTHERFORD

Personally appeared before me this day Lois Toney, wife of Fred Toney, who acknowledged the execution of the foregoing mining lease for the purposes and intents therein expressed.

Witness my hand and notarial seal this the 30th day of April, 1955.

Stella T. Morrow
Notary Public

MY COMMISSION EXPIRES JULY 8, 1956