☑ Audited 11/29/55 WORK ANALYSIS SHEET - DMEA PROJECT ☐ Actual Cost

☐ Certified Analysis as of 9/16/55 ☑ Agreed Unit Costs

Incl. Voucher for August

Name C. R. Phillips and Brown Sparks Docket No. 3814

State No. Carolina Commodity Mica Idm-E No. 846

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	60 Ft.	$2,100.00			
Raising					
Shafts	40 Ft.	$1,800.00			
Winzes					
Drilling (Specify)					
Surface Excavation		300.00		300.00	300.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		116.00			
Other (Specify)					
Totals		$4,316.00		300.00	300.00

Prepared by Walter C. Anderson

71626

Division copy

TERMINATION AGREEMENT

It is agreed this 26 day of September, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and C. R. Phillips and Brown Sparks, parties to Exploration Project Contract No. Idm-2846 (Docket No. DMEA-3814), dated July 21, 1955, that:

1. Effective July 21, 1955, Exhibit "A" is amended as follows:

(a) Under Description of the Work, Stage I is revised to read as follows:

> Cut two trenches, each not less than 75 feet long by 10 feet wide by 2 feet deep; and cut 2 test pits, one in trench No. 1 with minimum dimensions 16 feet long by 8 feet wide by 7 feet deep, and one in trench No. 2 with minimum dimensions 4 feet by 4 feet by 4 feet.

(b) Under Fixed Unit Costs, change the first item to read as follows:

Cutting 2 trenches and sinking 2 test pits 1/	$ 300.00

2. (a) Effective September 1, 1955, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

(b) The Government shall contribute only to the fixed unit costs of work performed prior to September 1, 1955.

(c) 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.

3. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under

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or arising out of said Contract, except as otherwise provided in this termination agreement.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

Butler
"Appt. Sol. Off."
Anderson
Talbot
Selfridge

C R Phillips
C. R. Phillips

Brewer Sparks
Brewer Sparks

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

C. R. Phillips and Brown Sparks
Route 3
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-2846, Docket No. DMEA-3814, ~~including Amendment No. 1~~, for the month of August 1955, covering a project for the exploration of mica on property, known as the Sparks Prospect located in Mitchell County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$300.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$300.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two hundred twenty-five and no/100 Dollars

$225.00

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

E. D. Talbert

E. D. Talbert, Auditor

November 29, 1955

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MF-200A
(Revised June 1954)

Docket No. DMEA-3210

Commodity Mica

Contract No. Idm-E 846

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

It is agreed this JUL 21 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] C. E. Phillips and Brown Sparks, partners,

whose mailing address is Route 3
Bakersville, North Carolina,
hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before SEP 1. 1955 shall commence the work, and on or before January 6, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $4,315.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,237.00: *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.

C. R. PHILLIPS & BROWN SPARKS
(Operator)

By C R Phillips

By Brown Sparks

THE UNITED STATES OF AMERICA

By O O Mitterdorf
Administrator, Defense Minerals
Exploration Administration

"Appd. Sol. Off."
Ontin
H. H. Rhyne
Ottemann
J. H. Kearney
Talbot
Martin

I, ..., certify that I am the ..... secretary of the corporation named as Operator herein; that ..... who signed this contract on behalf of the Operator, was then ..... of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

.....

[CORPORATE SEAL]

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

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AUG 31 1955

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS and BROWN SPARKS
DOCKET NO. DMEA-3814

ANNEX I

The land referred to in Article 2 of the contract form is known as Sparks Prospect. It is located 2.75 air-line miles S 5° E of Bakersville, Mitchell County, North Carolina, is adjacent to and immediately southwest of the R. B. Phillips Mine, and is described as follows:

Beginning at the small shaft opening known as the Sparks Prospect which is located 210' N.W. of a large Black Gum Tree and running N. 250'; thence West 250'; thence South 500'; thence East 500'; thence North 500'; thence West 250' to a point of closing.

RECEIVED
AUG 31 1955

EXPLORATION PROJECT CONTRACT
C. R. PHILLIPS and BROWN SPARKS
DOCKET NO. DMEA-3814

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled "Sketch of Sparks Prop. Mitchell Co., N. C. DMEA-3814 (mica) June 16, 1955," attached hereto and made a part hereof, in two stages as follows:

The Operator shall complete Stage I, and shall perform so much of the work under Stage II as is approved in advance by the Government.

STAGE I

Cut three trenches across the pegmatite, each not less than 25 feet by 3 feet by 3 feet.

STAGE II

1. Construct:

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

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

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

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

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood 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. Sink on the pegmatite a 2-compartment, inclined shaft for a distance of not more than 40 feet.

3. Explore the pegmatite by driving from the shaft not more than 60 feet of drifts and/or crosscuts.

The shaft, and the drifts and/or crosscuts, shall be timbered as necessary, and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

FIXED UNIT COSTS
(The unit costs include all costs whatsoever necessary to complete the work)

Cutting 3 trenches @ $100/trench 1/	$ 300.00	
Constructing - Toolhouse 1/	78.00	
- Powder magazine 1/	25.00	
- Exploder magazine 1/	13.00	
Sinking 40 feet of inclined shaft @ $45/ft.	1,800.00	
Driving 60 feet of drifts and/or crosscuts @ $35/ft.	2,100.00	
Estimated total cost of project		$4,316.00
Government participation @ 75%		$3,237.00

1/ The completed work constitutes the unit.

MF-203
Revised March 24, 1955

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

Defense Minerals Administration
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CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning at the small shaft opening known as the Sparks Prospect which is located 210' N.W. of a large Black Gum Tree and running N. 250'; thence West 250'; thence South 500'; thence East 500'; thence North 500'; thence West 250' to a point of closing.

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

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

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

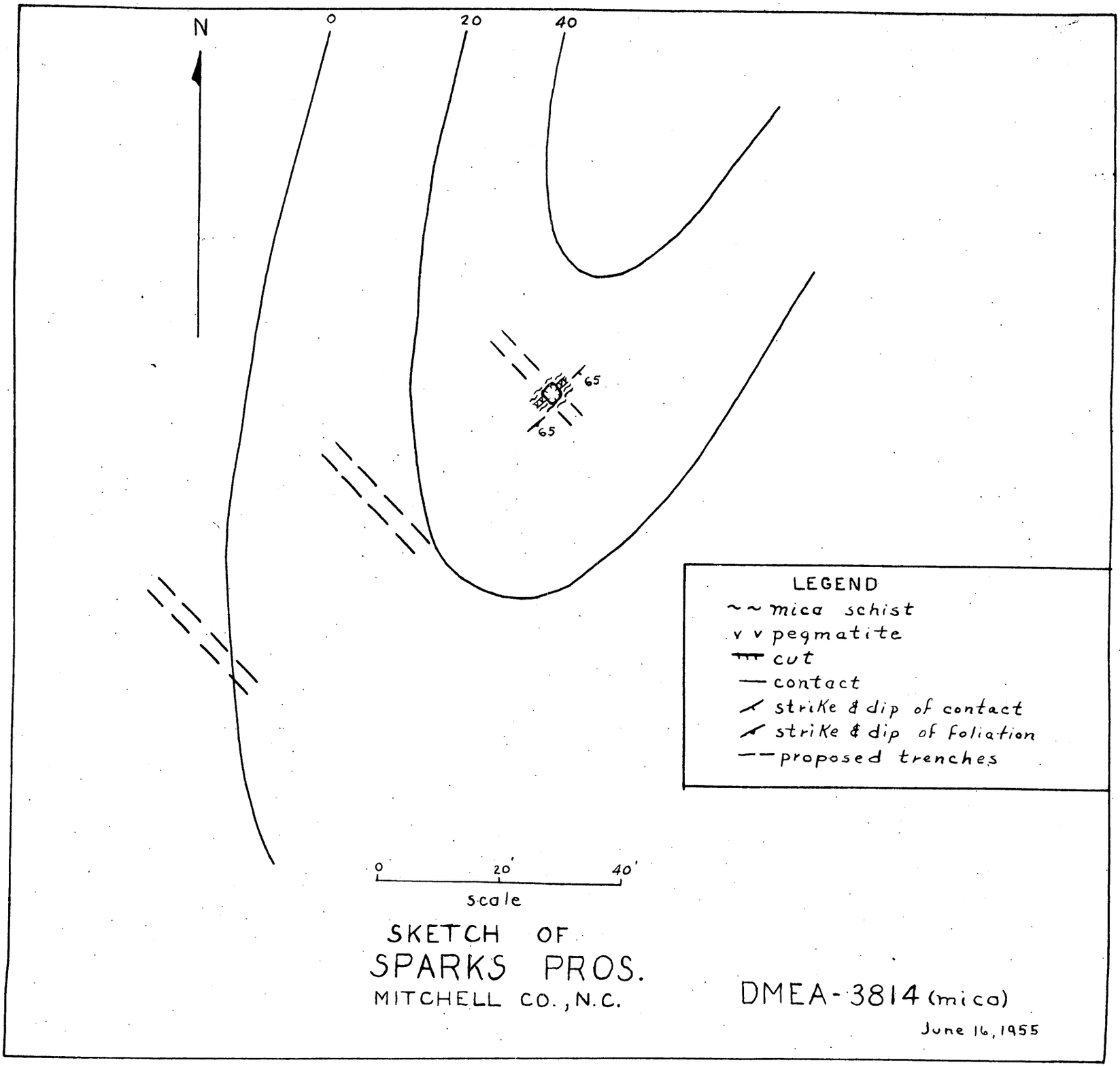
None

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

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

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

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



SKETCH OF
SPARKS PROS.
MITCHELL CO., N.C.

DMEA-3814 (mica)

June 16, 1955

APR 27 1956 600

Messrs. C. R. Phillips and
Brent Sparks
Route #3
Bakersville, North Carolina

Re: Docket No. DMA-9814-Mica
C. R. Phillips and Brent Sparks
Sparks Prospect
Mitchell County, North Carolina
Contract No. Ida-5346

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 DMA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:mm 4/25/56
Copy to: Docket
Mr. Shambaugh
Field Team, R glen V
Mr. Killingsord, 5222
Mr. Dietrich, 9861
Mr. Hank
Mr. Anderson
Admr. R. File
Mr. R. B. Phillips(Land Owner)

Project Summary Report

April 25, 1956

By: Walter C. Anderson

1. Docket No. DMEA-3814-Mica
Contract No. Idm-E846
Sparks Prospect
Mitchell County, North Carolina

Application: Form MF-103(April 1952) received May 18, 1955
Work proposed:
70 feet of shaft and 100 feet of drifts
Amount requested:
$7,000.00
Operator:
C. R. Phillips and Brown Sparks
Route #3
Bakersville, North Carolina
Operator's Property Rights:
Five year mining lease on the R. B. Phillip's property covering 5¼ acres, dated May 17, 1955.
Owner's Consent to Lien - dated May 17, 1955.

2. Contract: Form MF-200A(June 1954), dated July 21, 1955
Work authorized:

Stage I	
Cut 3 trenches @ $100.00/trench	$ 300.00
Stage II	
Construct toolhouse, powder and exploder magazines	116.00
40 feet of inclined shaft @ $45.00/ft.	1,800.00
60 feet of drifts and/or crosscuts @ $35.00/ft.	2,100.00
Estimated total cost of project	$4,316.00
Government participation @ 75%	$3,237.00

Amendments: None
Work completed:

Stage I	
Cut 3 trenches @ $100.00/trench	$ 300.00
Total accepted cost	$ 300.00
Government participation	$ 225.00

Work began on August 15, 1955 and ended August 23, 1955
Terminated by mutual agreement on September 26, 1955
Field Team Final report received September 29, 1955
Operator's Final report waived. Operator's one and only monthly report accepted as final.
No mica produced during project.
No equipment purchased under contract

3. Audit: Report of Review issued November 29, 1955
Accepted Cost $300.00
Government participation $225.00

4. Certification of Discovery or Development - none issued

5. Comments:
How conducted: All of the work in which the Government participated was acceptable.
Operation: good
Engineering: Reporting by Operator acceptable. Only as much work was done as was necessary to determine that a worthwhile deposit did not exist.

Geological premise:
Was not realized, since trenching under Stage I of the contract exposed a 16 inch thick pegmatite containing mica which was too small to yield trimmed mica.

Geological Criteria upon which work was based:
1. Unnamed, conformable mica-rich pegmatite about 2½ feet thick exposed in a small pit.
2. Mica - excellent quality, hard, flat, green and clear.

Criteria developed during project:
1. Pegmatite - in one trench a conformable pegmatite with maximum thickness of 16 inches. In the other trench, several closely spaced, parallel pegmatites 1 to 3 inches thick.
2. Mica - green, hard, flat and clear. Excellent quality, but too small to yield trimmed mica.

Future possibilities:
none

Recommendation: The Nonmetallic Minerals Division and the Commodity Members of the Geological Survey and Bureau of Mines concur in the Field Team's recommendation not to certify.

WCAnderson:ms 4/25/56
Copy to: Mr. Houk
Mr. Anderson
Admr. R. File

Walter G. Anderson
Nonmetallic Minerals Division

APR 27 1956

Mr. R. B. Phillips

Bakersville, North Carolina

Re: Docket No. DMA-9814-Mica
G. R. Phillips and Brown Sparks
Sparks Prospect
Mitchell County, North Carolina
Contract No. Idm-3846

Dear Mr. Phillips:

Transmitted herewith for your information is a copy of a closing letter to the Operator of the Defense Minerals Exploration Administration contract mentioned above.

Sincerely yours,

C. G. Mitchell

Administrator

Enclosure

WCAnderson:mm 4/25/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Killingsord, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.
January 6, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Termination Agreement - Idm-E864, DMEA-3814 (mica)
Phillips & Sparks, Sparks Pros., Mitchell County, N. C.

Transmitted are three signed copies of the subject termination agreement received in this office today. The Operator was mailed these forms on September 26, 1955.

The usual distribution of the other copies has been made.

Robert A. Laurence

ZM.

cc:

Lynch

Finance Office

Shirley

Files

RECEIVED
JAN 9 1956

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

RECEIVED
DEC 27 1955

December 22, 1955

Mr. C. R. Phillips
Route 3
Bakersville, North Carolina

Re: DMEA-3814, Idm-E846 (Mica)
C. R. Phillips and Brown Sparks
Sparks prospect, Mitchell County,
North Carolina

Dear Mr. Phillips:

On September 26, I sent you six copies of a termination agreement to be signed by you and Mr. Sparks. On October 27, I wrote again, asking that you sign and return them. We have not yet received them.

Please have these signed by Mr. Sparks and yourself, and return the original and four copies to me as soon as possible. We cannot complete our records on this contract without the executed agreement.

Very truly yours,

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

RAL/mg
cc - Operating Committee (2)
Lynch
Shirley
Files

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

RECEIVED
OCT 14 1955

October 14, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3814 (mica)

Applicant: C. R. Phillips and B. Sparks

Name and Location of Property: Sparks Prospect, Mitchell County, N. C.

Contract Number: Idm-E 846

Date of Field Team Report: 9/26/55

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

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

Comments:

1. No strategic quality mica was encountered in the pegmatite dike.

2. Expenditures -

Total approved	$4,316.00
Total cost	300.00
Gov't. share of the cost	225.00
Value of production during operation	None

Recommendation: I concur with the recommendation of the field team that no certification of discovery be issued.

Signed
W. F. Dietrich

IN REPLY REFER TO:

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

October 5, 1955

Re: DMEA 3814, Idm-E846
C. R. Phillips and
Brown Sparks
Sparks prospect
Mitchell Co., N. C.
$4,316.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report.

Only $300.00 of the $4,316.00 approved for this project was expended.

Two trenches, made by bulldozer, and some hand work convinced the examiners that the mica in the 16-inch pegmatite though of good grade is too small to yield trimmed mica. The contract was terminated by agreement.

No reserves of strategic mica were established and the examiners and Field Team recommend that no certification be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-10/5/55

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

Mr. R.

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

[illegible]

[illegible]

[illegible]

[illegible] 31, 1955

Memorandum

To: Operation Committee, [illegible] - [illegible]

From: [illegible] Field Team, Taylor V, [illegible], [illegible]

Subject: Field Test Final Report.

Transmitted herewith for your information are the following:

[illegible]-3821, [illegible] (mica) [illegible], N.C.

[illegible]-3728, Walter and Helen [illegible] (mica) [illegible], [illegible]

[illegible]-3811, O. [illegible] (mica) [illegible], [illegible]

[illegible]-3672, [illegible] (mica) [illegible], [illegible]

[illegible]-3715, [illegible] Grotin, Shelby, North Carolina (mica)

Operation final report is [illegible] on each of the above reports.

/s/ [illegible]

/s/ [illegible]

Reviewed by
DMEA [illegible] COMMITTEE
10-3-55
(Date)

RECEIVED
SEP 2 2 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM FINAL REPORT, REGION V

On

DMEA-3814, SPARKS PROSPECT (mica)
Mitchell County, North Carolina

BY

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

and

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

September 26, 1955

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

FINAL REPORT

DMEA-3814, Idm-E846, SPARKS PROSPECT

Operators: C. R. Phillips and Brown Sparks, R#3, Bakersville, N. C.

Location: 2.75 airline miles S. 5° E. of Bakersville, Mitchell Co., N. C.

Exploration under Stage I of this contract failed to discover mica of large enough size to yield trimmed mica; thus the work outlined in Stage II was not undertaken. It is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

Work began August 15, 1955 and ended August 23, 1955. Two trenches, each about 75' x 10' x 2' deep were made by a bulldozer and some hand work. In addition the overburden between the trenches (an area about 75' x 30' x 2' deep) was removed. A test pit was sunk in each trench; one 16' x 8' x 7' deep in the southeast trench and the other 4' x 4' x 4'. This work revealed that mica exposed on the property is too small to yield trimmed mica; thus, the contract was terminated by mutual agreement, effective August 24, 1955.

A conformable pegmatite having a maximum thickness of 16 inches was exposed by the southeast trench and pit. It strikes N. 50° E. and dips 70-80° SE., and consists of medium-grained plagioclase, quartz and muscovite. No zoning is apparent. In the northwest trench and pit several closely-spaced, parallel pegmatite stringers are present. They are 1 to 3 inches thick and are similar in composition and attitude to the southeast pegmatite. The predominate country rock is layered hornblende gneiss.

The mica is green-colored, hard, flat and clear. It is of excellent quality but too small in size to yield trimmed mica.

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

Expenditures:

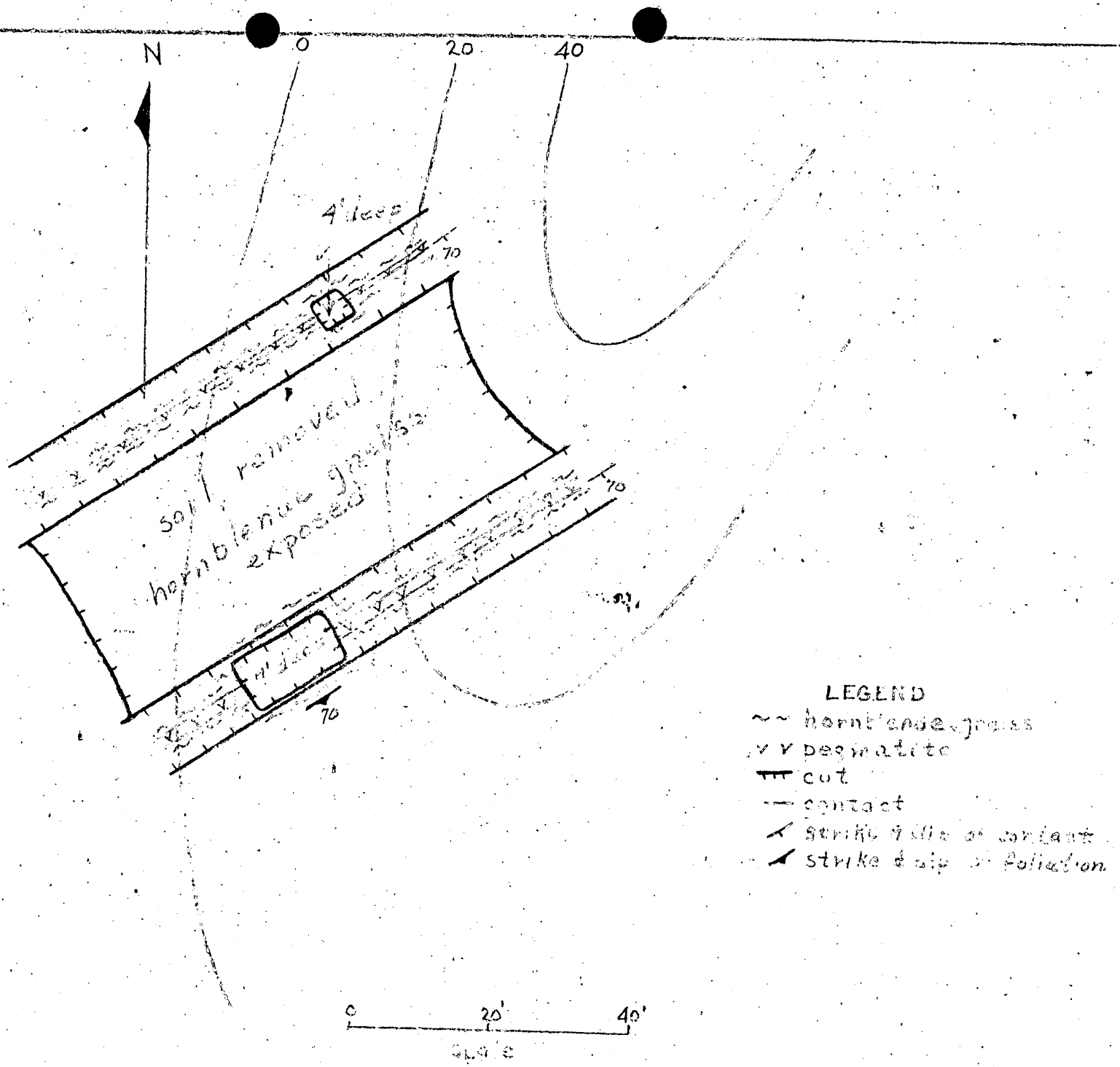
(a)	Total approved	$4,316.00
(b)	Total cost of project	300.00
(c)	Government's share of cost	225.00
(d)	Government's share unexpended	3,012.00
(e)	Value of production during opr.	None

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

No equipment was purchased under the contract.

September 26, 1955

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



SKETCH OF
SPARKS PROS.
MITCHELL CO., N.C.

DMEA-38:4 (mica)
Aug. 24, 1985

600

SEP 2 0 1955

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

Subject: Docket No. DMEA-3314 - Mica
C. R. Phillips and Brown Sparks
Sparks Prospect
Mitchell County, North Carolina
Contract No. Idm-E646

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of August 30, 1955, requesting preparation of an amendment to the subject contract, if necessary.

There are transmitted herewith the original and five copies of a Termination Agreement containing the provisions of your requested amendment. The Termination Agreement was prepared, since you advised that no further work on this project is recommended and that Stage II of the contract will not be approved and, also, as the work described in the contract deviated somewhat from the work completed.

After execution of the Termination Agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

H. E. Nelson

Member, Geological Survey

Enclosures 6

WCAnderson:gad 9/16/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Hook
Mr. Anderson

(Rev.)
(2)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

21

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 195 5 Docket No. DMEA 3816 Contract No. Ido-5346
Operator's Name C. R. Phillips and Brown Sparks Minerals Mica
Address Route 3, Bakersville, N. C.
Contract Amount, $ 4316.00 Government Participation 75 % Amount, $ 3237.00

RECEIVED SEP 15 1955

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Trenches	300.00		300.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	300.00		300.00	300.00		300.00

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

Date 9-7-55 *Payee C. R. Phillips and Brown Sparks

Per C. R. Phillips Title Partner

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

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

(Instructions on reverse)

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

$ 225.00

Signature Helen R. Muller
(Authorized Certifying Officer)

Date SEP 13 1955 Vou. No. 59

(See other side)

75.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E846 in accordance with the terms of the contract.

Signature Kelton H. Teague Title Geologist, U.S.G.S. Date 9/9/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION V Date SEP 12 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Budget Bureau No. 42-R1151.2

RECEIVED
SEP 15 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3814 Contract No. Idm-E346
Operator's Name C. R. Phillips and Brown Sparks Minerals Mica
Address Route 3, Bakersville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching		300.00		300.00				
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		300.00		300.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		300.00		300.00				

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

REMARKS:

Date 9-7-55 Operator C.R.Phillips and Brown Sparks

Per C. R. Phillips Title Partner

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

(Instructions on reverse)

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

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 15 1955

OPERATOR'S

Monthly Report of Progress

August, 1955

DMEA-3314

Idr-E846

Work Began: Aug.15
Completed: Aug. 23

Work Accomplished:

We moved in air compressor and supplies, then drilled and shot out trenches, completing Stage I of the contract. The field team visited the project and terminated the contract after the first stage, since they did not believe the results warranted going into Stage II.

Daily Notes:

Aug. 15-19 : Moved in air compressor and supplies. Two men began work on trenches as called for in Stage I of the contract. Drilled and shot, moved dirt.

Aug. 22-23 : Completed Stage I of contract. Drilled and shot, cleared out trenches. No favorable results.

Field team visited project and dedided to termina contract, since results did not warrant going int Stage II.

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

RECEIVED
SEP - 1 1955

August 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Interim Report - DMEA - 3814, Idm-8724 (mica) Sparks Prospect, Mitchell County, N. C.

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

Please note that some changes were made at the suggestion of the Field Examiners, in prosecuting Stage I of the contract. If necessary, please prepare an amendment to the contract changing Stage I from 3 trenches, not less than 75' x 3' x 3' deep, to 2 trenches, 75' x 10' x 2' deep, and 2 test pits, one in trench No. 1 16' x 8' x 7' deep and one in trench No. 2 4' x 4' x 4' deep, with no change in cost.

No further work on this prospect is recommended and the Operators will be advised that Stage II of the contract will not be approved.

VJL/sm
cc:
Lynch
Shirley
Files

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

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

INTERIM REPORT

RECEIVED
SEP - 1 1955

DMEA-3814, Idm-E724 (mica) SPARKS PROSPECT

Operator: C. R. Phillips and Brown Sparks, Rt.#3, Bakersville, N. C.

Location: 2.75 airline miles S 5° E. of Bakersville, Mitchell County, N. C.

Work completed to date on this contract consists of two trenches each about 75' x 10' x 2' deep and the removal of overburden between the two trenchs (about 75' x 30' x 2' deep).

In addition, a test pit was sunk in each trench at the suggestion of the Field Examiners. The one in the southeast trench was 16' x 8' x 7' deep and the other was 4' x 4' x 4'. Both were entirely in unweathered rock.

In the southeast trench a conformable pemgatite having a conformable pegmatite having a maximum thickness of 8 inches was exposed. It strikes N. 50° E. and dips 80° SE. The body contains abundant muscovite of strategic grade, but which is too small to yield sheet mica. Exposed in the northwest trench are several thin, closely-spaced pegmatite stringers. The thickest seen was about 4 inches.

It is recommended that no further work be done at this Prospect under the contract because of the thin character of the pegmatite and the small size of the mica. The Operators are in agreement.

The work completed at this new Prospect deviated in part from the contract. This was done at the suggestion of the Field Examiners and explored better the potentials of the deposit. It is estimated that the work done cost the Operator about $300.00 - the amount of Stage I of the contract.

Date Examined:
August 24, 1955

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

and

irley, Mining Engineer
Bureau of Mines

INTERIM REPORT

DMEA-381L, Idm-E 72h (mica) SPARKS PROSPECT

OPERATOR: C. R. Phillips and Brown Sparks, Rt. #3, Bakersville, N. C.

LOCATION: 2.75 airline miles S5°E of Bakersville, Mitchell County, North Carolina

The starting date on this contract is August 8, 1955. Trenching, as Stage I, is underway but not complete. Two parallel trenches, about 45 feet apart, trending northeast has exposed a single narrow pegmatite stringer in each trench. The bodies are conformable with the adjacent country rock, a hornblende gneiss, and strike N45°E and dip near vertical. The examiners recommend additional ~~test pitting~~ work on the thicker body, which is exposed for a distance of 75 feet along the strike. No additional work is recommended if this ~~test pit~~ does not show workable pegmatite containing strategic mica.

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

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

August 10, 1955

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

RECEIVED
AUG 31 1955

August 29, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - DMEA-3114, Idm-E846 (mica)
C. R. Phillips and Brown Sparks, Bakersville, N. C.

Transmitted are three signed copies of the subject contract.

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

V. J. Lynch

ZM.
cc:
Lynch
Finance Office
Shirley
Files

600

JUL 21 1955

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

Subject: Docket No. DMEA-3814 - Mica
C. R. Phillips & Brown Sparks
Sparks Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval present it to the Operators for 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 W. F. Dietrich of the Bureau of Mines, dated July 5, 1955, and from N. E. Nelson of the Geological Survey, dated July 8, 1955, are enclosed.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 10

WCAnderson:gad 7/19/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

June 30, 1955

Memorandum

To: Files

From: Walter C. Anderson, Nonmetallic Minerals Division
Docket No. DMEA - 3814 - Mica
C. R. Phillips and Brown Sparks
Sparks Prospect
Mitchell County, North Carolina

A contract is recommended.

Mica - Field Team says "is of excellent quality, hard, flat, green-colored, and clear. Abundant occurence."

Pegmatite - Unzoned pegmatite, 2½ feet thick, conformable to enclosing mica schist. Length is not indicated, only that it is exposed in a 3-foot deep pit. It is indicated this pegmatite might be one of several closely spaced parallel pegmatites.

Old Workings - None, except 3-foot deep pit.

Method of exploring - The applicant proposes a 70-foot shaft and 100 feet of drifts. The Field Team recommends a two stage project. Under Stage I, three crosscutting trenches 25' x 3' x 3' and about 35' apart. If pegmatite is of sufficient extent with good mica content, Stage II will consist of a 40-foot incline on the pegmatite and 60 feet of drifts form the incline. No rehabilitation costs.

Recommendation - The Nonmetallic Minerals Division concurs in Field Team proposal, which has the advantage of a 2-stage contract. The initial cost of trenching, $3.00, is justified to ascertain the extent and mica content of the pegmatite before commencing Stage II, which will cost $4,013. The project appears promising. The property is adjacent to the highly successful R. B. Phillips Mine which has already paid the Government royalties in full. (DMEA-3422).

Walter C. Anderson, Mining Engineer

WCAnderson:pk 7/19/55
Copy to: Admr. R. File
Mr. Anderson
Mr. Houk

IN REPLY REFER TO:

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

July 6, 1955

Re: DMEA 3814
C. R. Phillips & Brown Sparks
Sparks Prospect
Mitchell Co., N. C.
$4,313.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report

The trenching stage of the 2-stage program should yield worthwhile information.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-7/8/55

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

RECEIVED
JUL 11 1955

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

RECEIVED
JUL - 6 1955

July 5, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3814 (mica)

Applicant: C. R. Phillips and B. Sparks

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

Date of Field Team Report: June 23, 1955

Date Rec'd by Br. of Ceramic and Fertilizer Materials: June 30, 1955

Field Team Recommendation: Recommend a two-stage program at a cost of $4,313.00

Comments:

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

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.

W. F. Dietrich

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

June 24, 1955

Memorandum

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

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

Subject: Examination Report, DMEA-3814 (Mica)
C. R. Phillips and Brown Sparks, Bakersville, N. C.
Sparks prospect, Mitchell County, N. C.

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

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

Robert A. Laurence
Executive Officer

V. J. Lynch, Member
Bureau of Mines

RAL/mc
Enclosures 10
cc - Operating Committee
Lynch
Shirley
Files

RECEIVED
JUN 27 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM, REGION V

On

DMEA-3814, SPARKS PROSPECT (mica)
Mitchell County, N. C.

By

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

and

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

June 23, 1955

FIELD EXAMINATION REPORT

ON THE

SPARKS PROSPECT - DMEA-3814 (mica)

RECEIVED
JUN 27 1955

Applicant: C. R. Phillips and Brown Sparks both of Route 3, Bakersville, North Carolina

This is an unexplored prospect adjacent to the R. B. Phillips mine. Pegmatite containing strategic mica of excellent quality has been exposed by a small pit. Exploration assistance is recommended.

The Sparks prospect is 2.75 airline miles S. 5° E. of Bakersville, Mitchell County, North Carolina, and is adjacent to and immediately southwest of the R. B. Phillips mine. Access is available at all times by a good jeep road.

The prospect was examined on June 16, 1955. Messrs. C. R. Phillips and Sam L. Phillips accompanied the examiners on the inspection which required about one hour.

Both applicants have had considerable mica mining experience and are competent to conduct the proposed exploration. Area covered by the lease is adequate for the proposed work. No surface facilities are present on the property. Water is not available and will have to be hauled in. A power line extends to the R. B. Phillips mine.

A pegmatite about 2½ feet thick is exposed in a small pit about 3 feet deep. It strikes about N. 50° E., dips 65° SE and consists of plagioclase, quartz, and muscovite. The mica is scattered abundantly throughout the pegmatite. No zoning is apparent. The body is conformable to the enclosing mica schist. It is probably one of several closely spaced parallel pegmatites.

The mica is hard, flat, green-colored and clear. It is of excellent quality.

It is proposed that a staged exploration program be conducted on this property. Under Stage I three crosscutting trenches each about 25' x 3' x 3' deep and about 35 feet apart should be made. As only about 6 inches of soil overlies unweathered bedrock, this will require considerable drilling and shooting. If Stage I reveals promising pegmatite, then Stage II should consist of a 40-foot incline and 60 feet of drifts from its bottom.

Estimated costs are as follows:

Stage I

Cut three trenches each about 25' x 3' x 3' deep (8 shifts)

Labor:		
1 - Driller @ $1.25/hr.	$80.00	
1 - Laborer @ $1.00/hr.	64.00	
Equipment:		
Compressor and drill @ $220/mo.	80.00	
Supplies:		
Explosives	40.00	
Drill steel	10.00	
Gas and oil	15.00	
Miscellaneous	11.00	
Estimated Cost Stage I		$300.00

Stage II

Toolhouse	$75.00	
Powder magazine	25.00	
Exploder magazine	13.00	
		$113.00

Sink 40-foot (5' x 7') incline (30 shifts)

Labor:		
1 - Miner @ $1.50/hr.	$360.00	
1 - Hoistman @ $1.25/hr.	300.00	
1 - Laborer @ $1.00/hr.	240.00	
	900	
Equipment (rental):		
Compressor and drill @ $220/mo.	360.00	
Hoist @ $50/mo.	75.00	
	435	
Supplies:		
Drill steel	75.00	
Explosives	120.00	
Gasoline and oil	80.00	
Small tools and pipe	50.00	
Miscellaneous	65.00	
Insurance and Social Security	75.00	
		$1,800.00

845.00/ft

Drive 60 feet of drift (30 shifts)

Labor:	
1 - Miner @ $1.50/hr.	$360.00
1 - Hoistman @ $1.25/hr.	300.00
2 - Laborers @ $1.00/hr.	480.00
	1140

Equipment (rental):		
Compressor, drill and jackleg @ $250/mo.	$375.00	
Hoist @ $50/mo.	75.00	
Supplies:		
Drill steel	80.00	
Explosives	150.00	
Gasoline and oil	100.00	
Small tools and pipe	75.00	
Miscellaneous	30.00	
Insurance and Social Security	75.00	
		$2,100.00
Estimated Cost Stage II		$4,013.00
TOTAL ESTIMATED COST		$4,313.00

June 23, 1955

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

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

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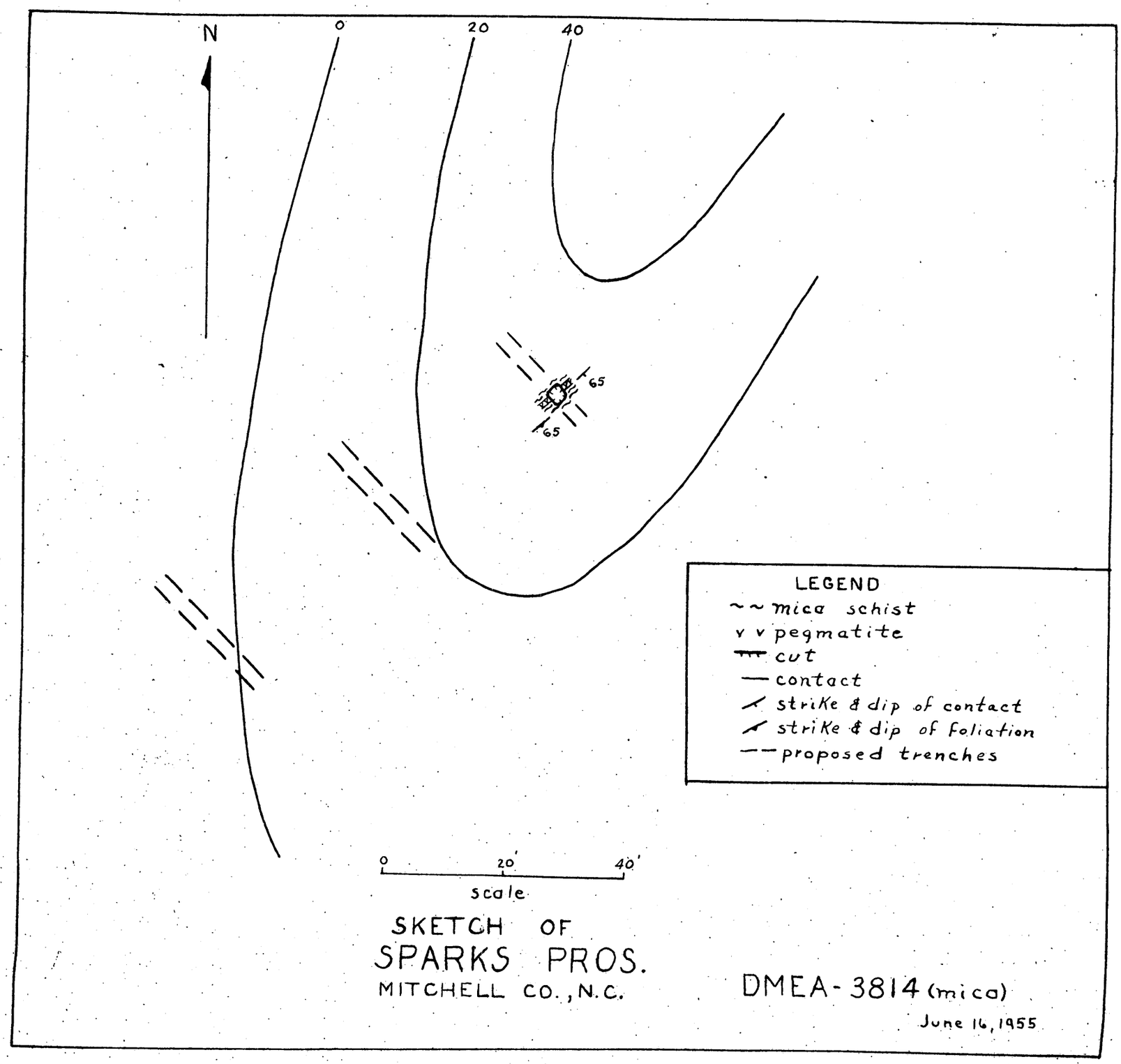


SKETCH OF
SPARKS PROS.
MITCHELL CO., N.C.

DMEA-3814 (mica)

June 16, 1955

MAY 2 6 1955

Mr. C. R. Phillips and
Mr. Brown Sparks
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3914 - Mica
C. R. Phillips & Brown Sparks
Sparks Prospect
Mitchell County, North Carolina

Gentlemen:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 5/23/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

600

MAY 2 6 1955

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

Subject: Docket No. DMEA-3814 - Miss C. R. Phillips & Brown Sparks
Sparks Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from N. E. Nelson of the Geological Survey, dated May 19, 1955, and from W. F. Dietrich of the Bureau of Mines, dated May 19, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 4

WCAnderson:gad 5/23/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

IN REPLY REFER TO:

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

May 19, 1955

Re: DMEA-3014
C. E. Phillips and
Brown Sparks
Sparks Prospect
Bakersville, N. C.
$7,000 - Mica

Memorandum

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

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

Subject: Review of application

The applicants seem to be taking too much for granted. Very little work has been done yet they feel shaft work is justified. Perhaps they can tell by the looks of the pegmatite that a spot is worth a shaft but stripping and trenching would seem to be necessary in order to find a likely place for a shaft.

No doubt the Field Team can settle the question.

Report recommended.

N. E. Nelson

N. E. Nelson

NENelson:hlm
G-5/19/55

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

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

Minerals Administration
RECEIVED

May 19, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3814 (mica)

Applicant: C. R. Phillips and Brown Sparks

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Mtls.: 5-18-55

Comments:

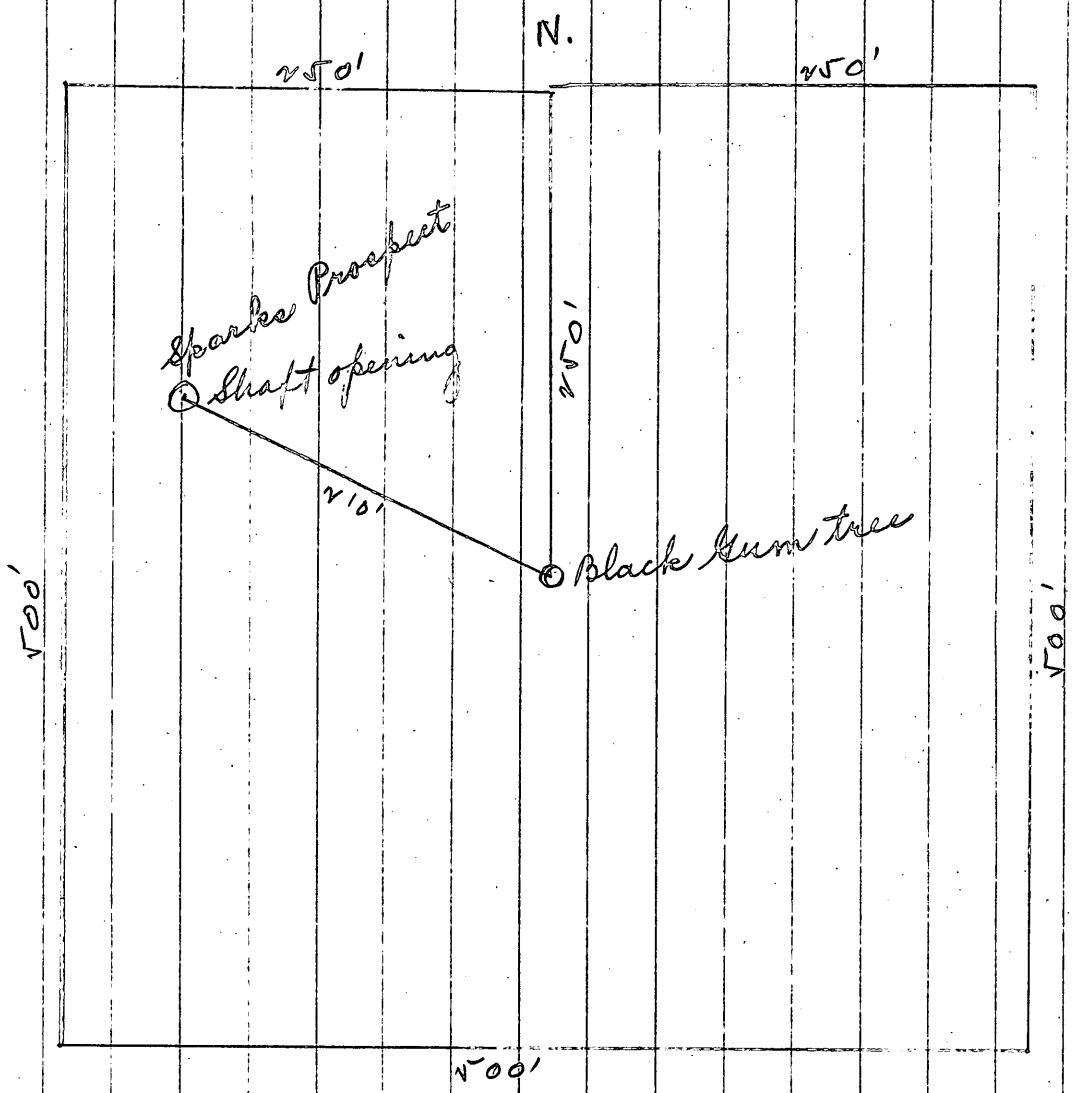
1. This is a new prospect and no data are available in this office.

2. Preliminary prospecting indicates that strategic mica may be found by exploration.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

Signed

W. F. Dietrich

DMEd-3814
Sparks Prospect