DMEA 3814

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 5-18-55

2. CONTRACT DATE 7-21-55

3. TERMINATION AGREEMENT: DATE

   a. Mutual (with/without repayment provision).
   b. Unilateral.
   c. Amendment with automatic termination clause and with/without repayment provision.

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Extra copy

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 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-E846 (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

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 _____
Executive Officer
DMEA Field Team, Region V

_____
C. R. Phillips

_____
Brown Sparks

Docket Co

RECEIVED
AUG 3 1 1955

MF-200A
(Revised June 1954)

Docket No. DMEA-3614

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. R. 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 [illegible].

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 Mich. 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 1, 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 $3,116.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $2,237.00: *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 J Mittenzwey
Administrator, Defense Minerals
Exploration Administration

Author
Approved
"Appd Sol Off."
Anderson
F L Kassel
Talbert
Martin
Jefferson

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

.....

[CORPORATE SEAL]

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

RECEIVED
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 Pres. 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_____

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1955

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.

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 17th day of May, 1955.

R. B. Phillips [Seal] Bakersville, N. C.

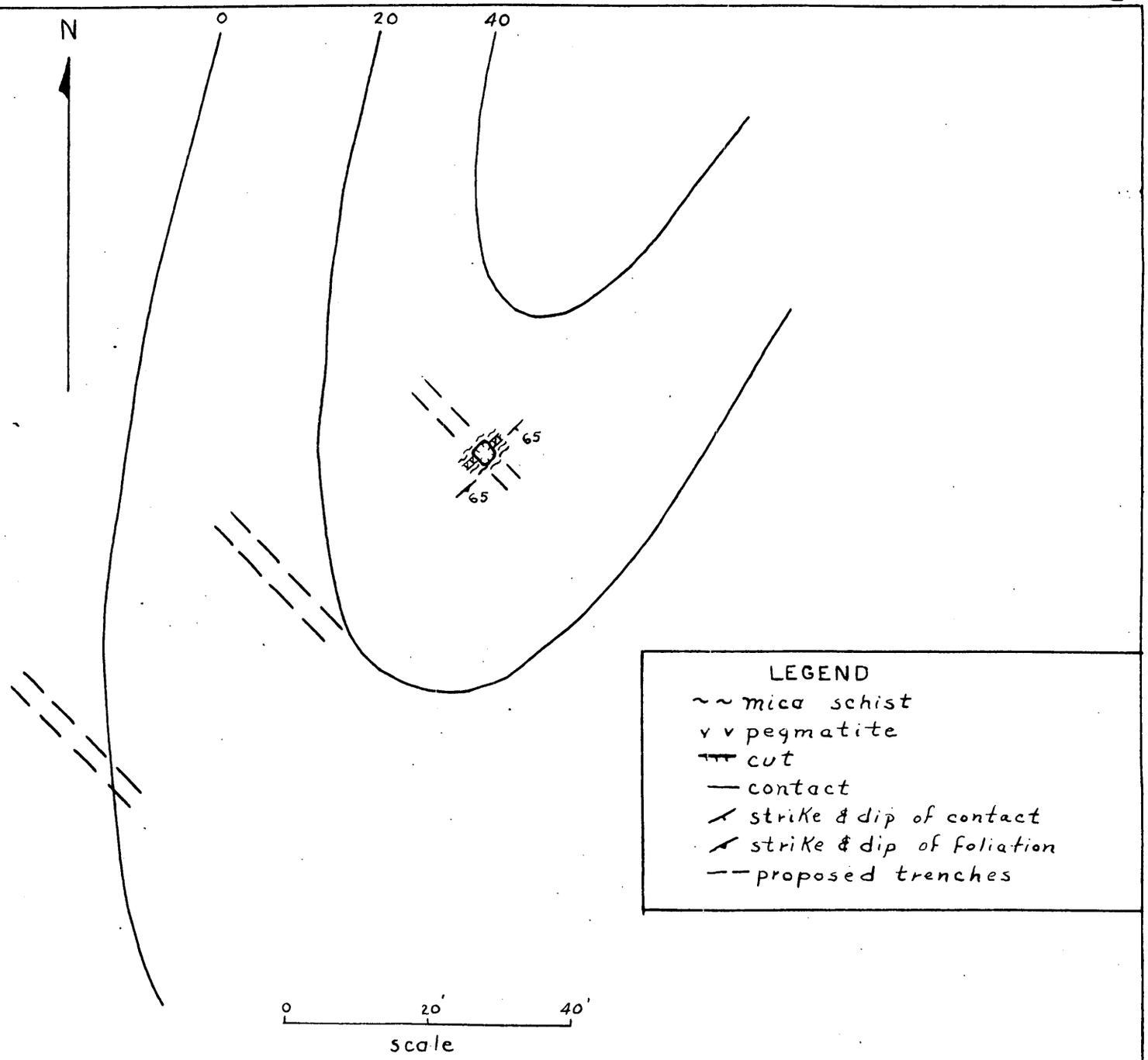
_____ [Seal]

_____ [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
SPARKS PROS.
MITCHELL CO., N.C.

DMEA-3814 (mica)

June 16, 1955

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Selfridge
McJanson

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

APR 27 1956

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

Re: Docket No. DMEA-3614-Mica
C. R. Phillips and Brown Sparks
Sparks Prospect
Mitchell County, North Carolina
Contract No. I6m-E846

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 4/25/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File
Mr. R. B. Phillips (Land Owner)

RC.4

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Hopkinson

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

APR 27 1956

Mr. R. B. Phillips

Bakersville, North Carolina

Re: Docket No. DMEA-3814-Mica
C. R. Phillips and Brown Sparks
Sparks Prospect
Mitchell County, North Carolina
Contract No. Idm-E846

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. O. Mittendorf

Administrator

Enclosure

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

R.C.L.

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

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 5+ 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. Unzoned, 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.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM POST OFFICE BLDG.
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
Robert A. Laurence

RECEIVED
JAN 9 1956

Docket 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-E846 (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

JAN 9 1956

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
DMEA Field Team, Region V

Britin
"Appd. Sol. Off."
Anderson
J. L. Irwin
Talbot
Selfridge
Johnson

C R Phillips
C. R. Phillips

Brown Sparks
Brown Sparks

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.

W. F. Dietrich

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

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

[illegible]

[illegible]

[illegible]

Memorandum

To: [illegible] Operating Committee, [illegible] - Washington

From: [illegible] Field Team, Region V, Knoxville, Tennessee

Subject: Field Team Final Reports.

Transmitted herewith are the following Field Team reports:

[illegible] -2701, [illegible] (other) [illegible]

[illegible]-3720, [illegible] (Nev/Utah Office) [illegible]

[illegible], [illegible]

[illegible]-3612, [illegible]

[illegible]-3625, [illegible] (other)

[illegible] above reports.

/s/ [illegible]

/s/ [illegible]
[illegible], Geologist
[illegible] Survey

Reviewed by
DMEA (U.S. MINS. COMMISSION)
10-3-55
(date)

RECEIVED
SEP 29 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. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

and

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

September 26, 1955

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

FINAL REPORT

RECEIVED
SEP 29 1955

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:

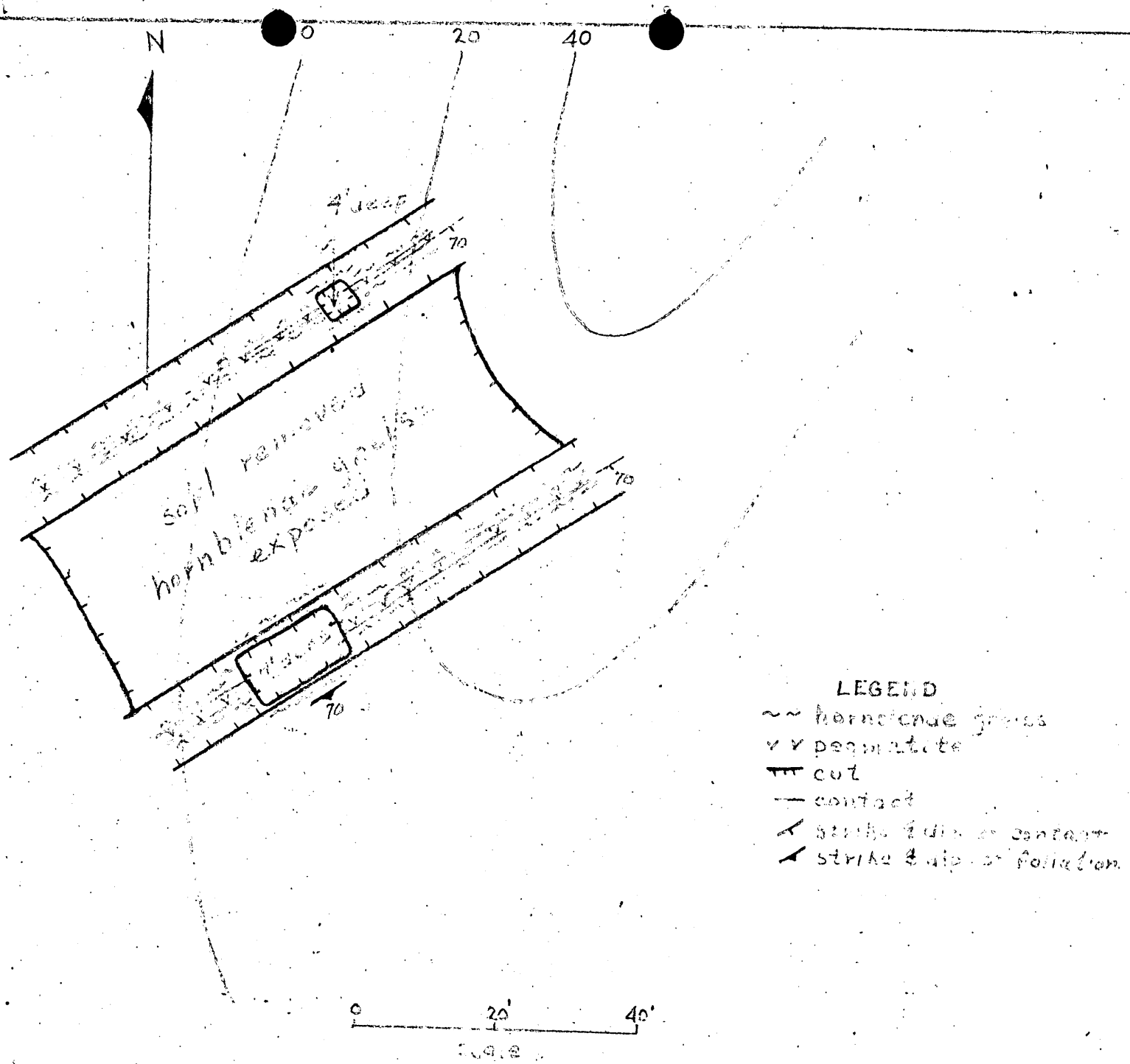
(a)	Total approved	$4,316.00
(b)	Total cost of project	300.00
(c)	Government's share of cost	225.00
(d)	Government's share unexpended	3,012.00
(e)	Value of production during opr.	None

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

No equipment was purchased under the contract.

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

September 26, 1955



SKETCH OF
SPARK'S PROS.
MITCHELL CO., N.C.

DMEA-38:4 (mica)
Aug. 24, 1943

Docket Copy
Surname:
Anderson
J Elmore
Talbutt
Selfridge
Johnson
Mitchell

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

600

SEP 20 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 and Brown Sparks
Sparks Prospect
Mitchell County, North Carolina
Contract No. Idm-E846

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 (G/6)

Approved:

P. F. Yopes (G/6)
Member, Bureau of Mines

/s/ N. E. Nelson (G/6)
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. Houk
Mr. Anderson

R.C.S.

C

nca

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 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: Interim Report - DMEA - 3814, Idm-E724 (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.

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

INTERIM REPORT

DMEA-3814, Idm-~~872~~ 846 (mica) SPARKS PROSPECT

RECEIVED
SEP - 1 1955

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

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

8,460# performed for about $300.
675# authorized for $300.

?

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 25 FEDERAL 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-E3814, 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

INTERIM REPORT

DMEA-3814, Idm-R-124 (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

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

K. H. Teague D. H. Amos

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

August 10, 1955

RECEIVED
AUG 22 1955

Docket Copy
Surname:
Anderson
F. Lawrence
Talbert
Martin
H. Johnson

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

R.C.S.

IN REPLY REFER TO:

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

July 8, 1955

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

Memorandum

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

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

Subject: Review of Field Team report

The 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

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

W. F. Dietrich

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

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 occurance."

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

Walter C. Anderson, Mining Engineer

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

RECEIVED JUN 1 1955

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
Robert A. Laurence
Executive Officer

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

Enclosures 10

Reviewed by
DMEA OPERATING COMMITTEE
7-1-55
(date)

RECEIVED
JUN 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

Reviewed by
DMEA OPERATING COMMITTEE
7-1-55
(date)

FIELD EXAMINATION REPORT

ON THE

SPARKS PROSPECT - DMEA-3814 (mica)

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	
Equipment (rental):		
Compressor and drill @ $220/mo.	360.00	
Hoist @ $50/mo.	75.00	
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

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

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

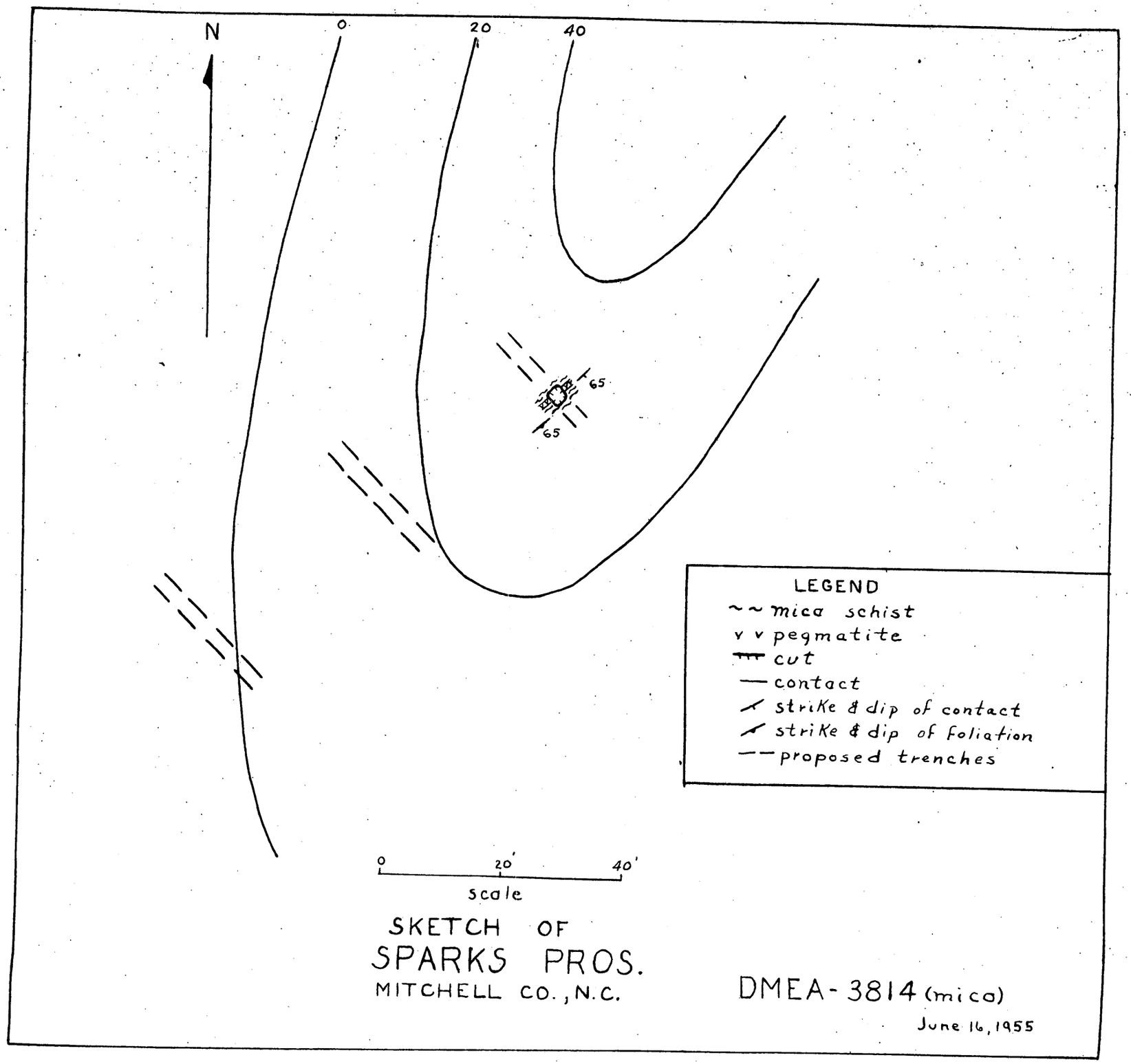
35%

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

g



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

DMEA-3814 (mica)

June 16, 1955

Docket Copy
Surname:
Anderson
Houk
Kiilsgaard
Hedges
Tetridge
R Johnson

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

600

MAY 26 1955

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

Re: Docket No. DMEA-3814 - 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. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

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

Sincerely yours,

C. O. Mittendorf

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

RCK

Docket Copy
Surname:
Anderson
Houk
Selfridge
Johnson

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

MAY 26 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 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 (SHB)

Approved:

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

Thor H. Kiilsgaard (SHB)
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

R.C.A.

Anderson

IN REPLY REFER TO:

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

May 19, 1955

Re: DMEA-3814
C. R. 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

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

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.

W. F. Dietrich

W. F. Dietrich

May 18, 1955

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

Subject: DMEA 3814
Re: Exploration Assistance
Sparks Prospect

Gentlemen:

The receipt of your application dated May 17, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 3814 and referred to the Non Metallics Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

Defense Minerals Administration
RECEIVED
MAY 18 1955

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. DMEA 3814
Metal or Mineral Mica
Date Received 5-18-55
Estimated Cost $7,000
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: C. R. Phillips & Brown Sparks
Bakersville, Route 3, N. C.

Partnership

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(*c*) The work will start within 30 days and be completed within ..... months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 5-17-55, 195...

C. R. Phillips & Brown Sparks
(Applicant)

By C. R. Phillips
Partner

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

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

Colorado Mineral Land Board
RECEIVED
MAY 18 1973

MF-103 (Continuation sheet)

4. (a) Very little work has been done here. Vein is uncovered and small shallow shaft exists. Applicants did work.

(b) No past production; new prospect.

(c) From the vein material uncovered, we believe strategic quality mica may be found by exploration.

(d) Project is accessible to roads and shipping.

(e) Manpower, equipment and supplies available. Power is within 300 feet.

5. (b) We propose to lower a 5' x 7' shaft 70 feet, then drift with vein 100'.

6. Estimate of costs:

Sink 70' shaft @ $50.00 ft.	$ 3500.00
Drift 100' @ $35.00 ft.	3500.00
Total estimated cost	$ 7000.00

MINING LEASE

... of the ...
... Minerals Administration
RECEIVED
MAY 18 ...

State of North Carolina Mitchell County:

This indenture made this 17th day of May, 1955, ~~1955~~,

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and C. R. Phillips and Brown Sparks

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

WITNESSETH, That the party 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 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.

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 1/8

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

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

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

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

Witness: R B Phillips (Seal)

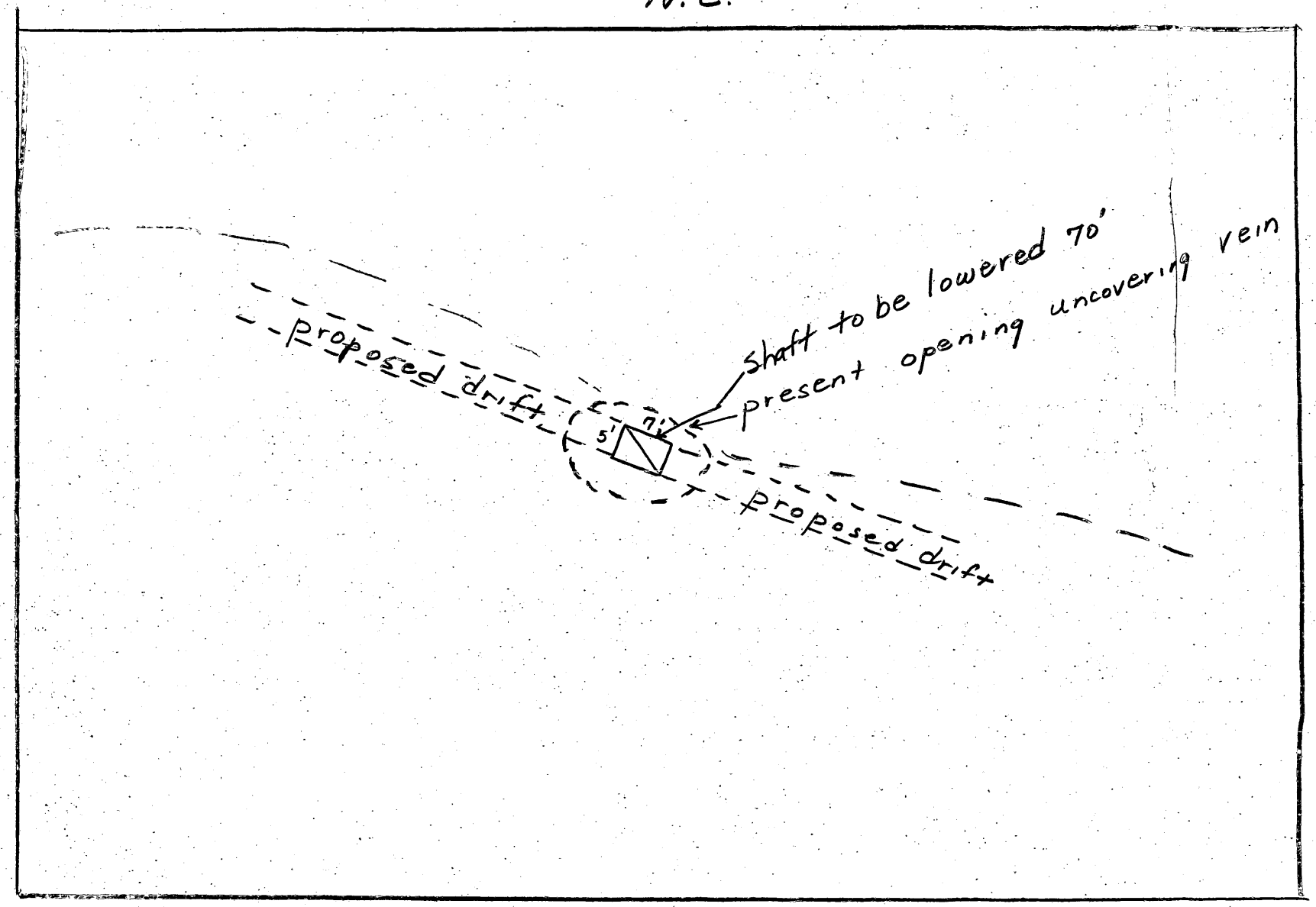
_____ (Seal)

_____ (Seal)

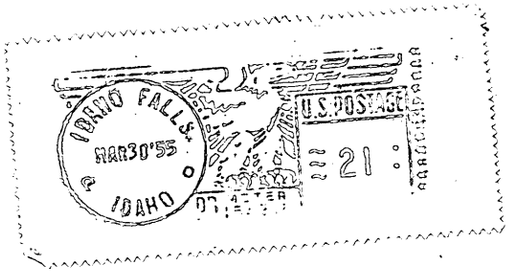
Kenneth R McKinney
Notary Public, Mitchell County
My Commission Expires 8/11/55

SPARKS PROSPECT

Mitchell Co.
N.C.



Mr. I. Donald Jerman, President
Fall Creek Uranium Corporation, Inc.
355 Eighth Street
Idaho Falls, Idaho



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Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

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