DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Paul Freeman
P.O. Box 265
Bakersville, North Carolina

pertaining to Exploration Project Contract No. Idm-2852, Docket No. DMEA-3825, for the month of September 1955, covering a project for the exploration of mica on property, known as the Healy Edwards Mine 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 of 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		$911.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$911.00

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 Six hundred eighty-three and 25/100 Dollars

$683.25

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 Jr.
E. D. Talbert, Auditor

June 25, 1956

Division Copy

MF-200A
(Revised June 1954)

RECEIVED
AUG 19 1955

Docket No. DMEA-1825

Commodity Mica

Contract No. Idm-E 852

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

It is agreed this AUG 10 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] Paul Freeman, whose mailing address is P. O. Box 205, 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 .....

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 16, page 333, official records of said County; and

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

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

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Rice. The work to be performed is described in Exhibit "A." The Operator on or before OCT 10 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 $4,464.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,348.00: *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.

PAUL FREEMAN

(Operator)

By Paul Freeman

THE UNITED STATES OF AMERICA

By Administrator, Defense Minerals Exploration Administration

Hoffund

"Apvd. Sol. Off."
Anderson
F. J. Kowar
Talbot

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
PAUL FREEMAN
DOCKET NO. DMRA-3825

ANNEX I

The land referred to in Article 2 of the contract form is known as the Mesby Edwards Mine. The mine is located 1000 feet south of Ledger School and N. C. Highway No. 26, 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, North Carolina, and includes 500 feet around the mine in all directions with the fifteen (15) foot open shaft as the center.

EXPLORATION PROJECT CONTRACT
PAUL FREEMAN
DOCKET NO. DMEA-3825

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 Hesby Edwards Mine, Mitchell Co., N. C. DMEA-3825 (mica) June 27, 1955," attached hereto and made a part hereof, as follows:

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 jar-proof lock.

2. Sink a 2-compartment inclined shaft on the pegmatite an inclined distance of not more than 50 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.)

Constructing:	Toolhouse 1/	$ 76.00
	Powder Magazine 1/	25.00
	Exploder Magazine 1/	13.00
Sinking - 50 feet of shaft @ $45.00/ft.		2,250.00
Driving - 60 feet of drifts and/or crosscuts @ $35.00/ft.		2,100.00
Estimated total cost of project		$4,464.00
Government participation @ 75%		$3,348.00

1/ The completed work constitutes the unit.

Defense Minerals Administration
RECEIVED
MAY 23 1955

MF-203
(Revised July 1, 1954)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows:1/ Being the Hesby Edwards Mine, Snow Creek Township, Mitchell County, North Carolina, and located on the lands now owned by Hesby Edwards and known as the Will Norman place. Including 500 feet around the mine in all directions with the (15) foot open shaft as the center of mining area conveyed.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Paul Freeman, (Individual)
P.O. Box 265,
Bakersville, North Carolina.

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract or any amendment thereof shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract or any amendment thereof there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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

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

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

(OVER)

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

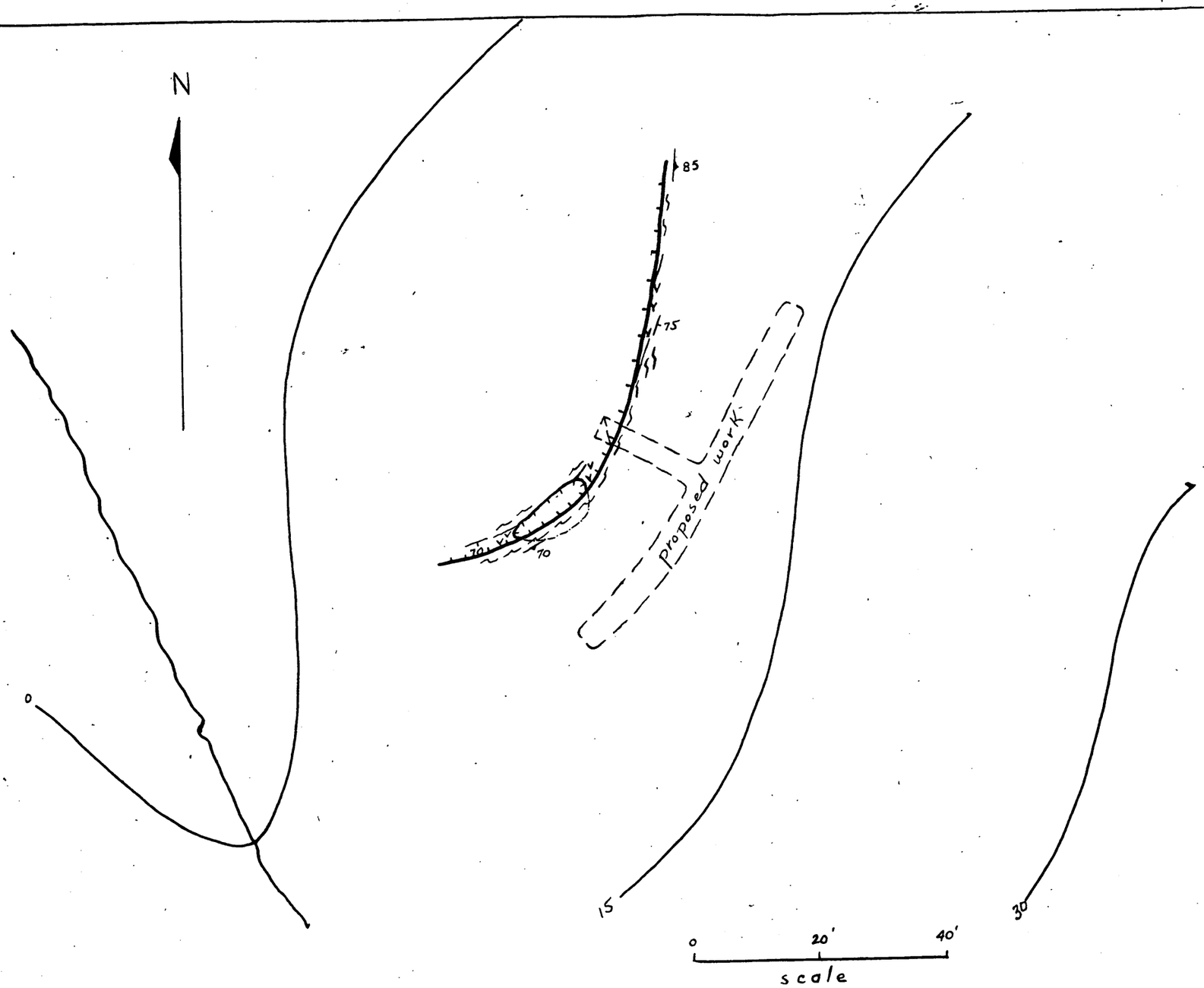
4. Changes and added provisions In paragraph 2 the words "the period fixed in the contract or any amendment thereof has" are substituted for "ten years have."

Dated this 10th day of May, 1955.

Herby Edwards [Seal]

Cary Edwards [Seal]

[Seal]



LEGEND

~~ hornblende gneiss
v v pegmatite
— contact
cut
strike & dip of contact
strike & dip of foliation
—·—outline of underground works
— — proposed work

SKETCH OF
HESBY EDWARDS MINE
MITCHELL CO., N.C.

DMEA-3825 (mica)
June 27, 1955

August 2,

Memorandum

To: Mr. Robert E. Adams, Chief
Operations Control and Statistics Division

From: L. G. Houk, Chief
Nonmetallic Minerals Division

Subject: Abandoned project - Docket No. DMEA-3825-mica
Paul Freeman
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

The subject project was abandoned by Mr. Paul Freeman after contribution by the Government of $683.25. On the grounds that Mr. Freeman has defaulted in the performance of his obligations, this contract can be considered terminated. Efforts to reach Mr. Freeman have not been successful.

The Government has entered into a new contract (IDM-E851, Docket No. DMEA-4247) with Mr. Ed Huskins to continue exploration work required in Mr. Freeman's contract. Mr. Huskins has assumed the obligation to repay the Government the sum of $683.25 contributed under contract no. IDM-E852, but the contract with Mr. Huskins specifically provides that such agreement "shall not be construed as releasing Paul Freeman under the prior contract, from any liability thereunder".

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:ms 8/2/56
Copy to: Mr. Houk
Admr. R. File
Mr. Anderson

Larry - Review of these
2 dockets -
1. Adams came in Friday and
said we needed termination on
Docket 3825. (Freeman)
2. This A.M. I consulted
Judity about it and he
said no, but wrote
the attached letter
to Freeman.
3. Consulted Adams and Talbot
about this matter. They agreed
that it would serve the purpose
of closing Docket - 3825.
4. Later this A.M. they both came
in and agreed to me that was
the necessary. The Report of Review
automatically closed out Docket 3825.
5. Is this O.K.? or do you
wish to have Judity's letter revised
and transmitted.

To be sent by Reg. mail
1 cc for Legal Div.
1 cc for Mr. [illegible]

Mr. Paul Freeman
P. O. Box 265
Bakersville, North Carolina

Dear Mr. Freeman

You are hereby notified that the United States of America, acting thru the Dept. of the Int., D.ME.A., herewith rescinds Contract Idm-E852 (Docket No. DMEA - 3825), dated August 10, 1955, on the ground that you have defaulted in the performance of your obligations under the contract. The government is herewith relieved of all obligations to contribute to costs under that contract.

In view of your default under the contract, the government has entered into a new contract (Idm-E951, Docket DMEA 4247) with Mr. Ed Huskins of Route 3, Bakersville, North Carolina, to continue the exploration work required under your contract. Mr. Huskins has assumed the obligation to repay the government the sum of $683.25 contributed by the government under the prior contract with you, but the contract with Mr. Huskins specifically provides that such agreement "shall not be construed as releasing Paul Freeman, the Operator under the Prior Contract, from any liability thereunder."

You are therefore notified that in the event Mr. Huskins fails to pay

said sum of $683.25, as well as any sums due to the government under his contract, the Government may look to you for repayment of such sum of $683.25.

Sincerely yours,

Adminstrator

Exploration at Hesby
Edwards Mine contracted
to Ed Hawkins under
DMQA-4247, who
assumes obligations
of Paul Freeman

March 23, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Houk
Nonmetallic Minerals Division

Subject: Termination for Cause - Docket No. DMSA-3825-Minn
Paul Freeman
Healy Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-8852

Reference is made to our memorandum of February 6, 1956, and your reply in memorandum of February 13, 1956. Note Field Team's memorandum of March 19, 1956, that Mr. Edwards has decided not to apply for a contract to complete the work.

We are, therefore, again requesting that papers be prepared to terminate the subject contract for cause and that legal steps be taken to demand the Operator to repay the Government's contribution of project expenses, which amounts to 75% of $911.00 or $683.25.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:ms 3/23/56
Copy to: Docket
Mr. Houk
Mr. Anderson
Admr. R. File

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 3/23/56

REFERRED TO:

1. ~~Mr. Robert Dwyer~~
2. ~~Room 7341~~
3. Mr. Houk, DMEA
4.

DMEA-3825
rec'd wrong
MAR 27 1956

FOR:

Action	Recommendation
Approval	Record of
Comment	
Conference	Referring to
Consideration	
Filing	Reply for signature of
Instructions	
Investigation	Rewriting
Initials	Signature
Mailing	Suggestions
Previous correspondence	Your information

INTERIOR DEPT.
MAR 26 1956
SOLICITOR

REMARKS: Returned without action per Div. request.

Check (X) before the items needing attention.

Lawrence G. Houk

Initials of sender.

GPO 16—63815-1

DOCKET COPY
Surname:
Anderson

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

March 23, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Houk
Nonmetallic Minerals Division

Subject: Termination for Cause - Docket No. DMEA-3825-Mica
Paul Freeman
Rosby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

Reference is made to our memorandum of February 6, 1956, and your reply in memorandum of February 13, 1956. Note Field Team's memorandum of March 19, 1956, that Mr. Edwards has decided not to apply for a contract to complete the work.

We are, therefore, again requesting that papers be prepared to terminate the subject contract for cause and that legal steps be taken to demand the Operator to repay the Government's contribution of project expenses, which amounts to 75% of $911.00 or $683.25.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:ms 3/23/56
Copy to: Docket
Mr. Houk
Mr. Anderson
Admr. R. File

March 23, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Houk
Nonmetallic Minerals Division

Subject: Termination for Cause - Docket No. DMEA-3825-Mica
Paul Freeman
Rocky Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

Reference is made to our memorandum of February 6, 1956, and your reply in memorandum of February 13, 1956. Note Field Team's memorandum of March 19, 1956, that Mr. Edwards has decided not to apply for a contract to complete the work.

We are, therefore, again requesting that papers be prepared to terminate the subject contract for cause and that legal steps be taken to demand the Operator to repay the Government's contribution of project expenses, which amounts to 75% of $911.00 or $683.25.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:ms 3/23/56
Copy to: Docket
Mr. Houk
Mr. Anderson
Admr. R. File

March 23, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Hauk
Nonmetallic Minerals Division

Subject: Termination for Cause -- Docket No. DMA-3825-Mica
Paul Freeman
Hanky Edwards Mine
Mitchell County, North Carolina
Contract No. Ida-2852

Reference is made to our memorandum of February 6, 1956, and your reply in memorandum of February 13, 1956. Note Field Team's memorandum of March 19, 1956, that Mr. Edwards has decided not to apply for a contract to complete the work.

We are, therefore, again requesting that papers be prepared to terminate the subject contract for cause and that legal steps be taken to demand the Operator to repay the Government's contribution of project expenses, which amounts to 75% of $911.00 or $683.25.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:ms 3/23/56
Copy to: Docket
Mr. Hauk
Mr. Anderson
✓Admr. R. File

April 3, 1956

Mr. Anderson calling Mr. Laurence in Knoxville, Tenn.

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

Mr. Laurence: I had a call from Sam Phillips relative to the Hesby Edwards Mine, DMEA-3825. He is anxious to get that contract and finish the work. I told him we could not transfer the contract but he could apply for a new contract. He will accept the obligation for royalties and take the contract on the same terms and Ed Huskins will do the work. If he needs to apply on the form I will send him the forms to make out.

Mr. Anderson: If he will accept the obligation that will be fine. He will have to make an application though.

Mr. Laurence: There is no reason why we could not push it through - no field referral or examination will be necessary we have all that.

Mr. Anderson: It will clear that up for us as we cant find Freeman. Send in the application and that will be fine.

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

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

RECEIVED
MAR 21 1956

March 19, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3825, Idm-8852 -Mica. Paul Freeman, Applicant
Mosby Edwards Mine, Mitchell County, N. C.

Reference is made to your letter of March 8.

Mr. Edwards has advised our field examiners that he has decided not to apply for a contract to complete the work abandoned by Paul Freeman, on his land.

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

Wm. A. Beck, for V. J. Lynch, Member
Bureau of Mines

RAL/km
cc:
Lynch
Shirley
Files

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

RECEIVED
MAR 1 3 1956

March 13, 1956

Mr. Hesby Edwards
Route # 3
Bakersville, N. C.

VJL/zm
cc:
Opr. Com.-2

Lynch
Files
Shirley

Re: DMEA-3825, Idm-E852 -Mica
Hesby Edwards Mine
Mitchell County, N. C.

Dear Mr. Edwards:

A few weeks ago the DMEA Field Team requested the Washington Office for permission to terminate the contract with Paul Freeman for exploration of the Hesby Edwards Mica Mine. This request was made with the understanding that you intended to file an application for a new contract to complete the work.

The Washington office is willing to terminate the Paul Freeman contract if you are willing to assume the obligation for payment of royalties to cover the funds already paid to Paul Freeman by the Government. If you assume this responsibility it means that you will be obligated to pay royalties only on sales of mica or other minerals from the mine until the Government has been reimbursed for the amount it has paid on the contract which is $683.25.

Please advise as soon as possible if you are interested in a new contract and are willing to assume the obligation described above.

Very truly yours,

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

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

RECEIVED
MAR 12 1956

March 7, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3825, Idm-E852-Mica. Paul Freeman, Bakersville, N. C.
Hesby Edwards Mine - Mitchell County, N. C.

On January 24, we requested permission to terminate this contract for default.

The land owner would like to file a new application so as to complete the project.

Please advise us whether termination will be approved.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/am
cc:
Lynch
Shirley
Files
Opr. Com.-2

600

MAR 8 1956

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

Re: Docket No. DMEA-3325-Mica
Paul Freeman
Healy Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

Dear Mr. Lawrence:

Reference is made to your memorandum of January 24, 1956, concerning termination of the subject contract and proposal, by Mr. Healy Edwards, to file an application for a new contract to complete the project.

Before we make a decision as to the type of termination, it will be appreciated if you will inquire whether Mr. Edwards is willing to assume the obligation for payment of royalties to cover Government funds contributed to the Paul Freeman contract. If Mr. Edwards will do this, we will be glad to accept his offer.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:ms 3/6/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Mar. R. File

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

FEB 1 3 1956

Memorandum

To: The Administrator, BMKA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. BMKA-3825, Paul Freeman, Contract Idm-8852 (Mica)

Mr. Houk's memorandum dated February 6, 1956, requested that we take steps to terminate the subject contract and also to recover the amount of the Government's contribution under the subject contract.

We note that the Field Teams memorandum dated January 24, 1956, to the Operating Committee stated that the landowner desires to take over the contract. There is no comment in the docket concerning the landowner's proposal. It would seem that if the Government wishes the project completed, as is indicated by Mr. Houk's memorandum, the Government should accept the landowner's offer.

Accordingly, we are returning the docket for further consideration.

Robert P. Dwyer

Attachment

HCRubin/emd
Copy to: BMKA Docket
Solicitor's Docket
L. G. Houk
G. C. Selfridge
RPDwyer
HCRubin
chron.

February 6, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Houk, Chief
Nonmetallic Minerals Division

Subject: Termination for Cause: Docket No. DMEA-3825-Mica
Paul Freeman
Healy Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-8852

A review of this docket reveals that the subject Operator has defaulted his contract and that the default is inexcusable. Since we feel it would have been beneficial to the Government to have completed the project, it is our opinion that the contract should be terminated for cause and that the DMEA demand the Operator to repay all Government funds expended on the project.

On this basis we are requesting that papers be prepared to terminate the subject contract for cause and that legal steps be taken to demand the Operator to repay the Government's contribution of project expenses, which amounts to 75% of $911.00 or $683.25.

The Operator started work on September 7, 1955, worked only through September and abandoned the project when he received payment for his September Voucher.

WCAnderson:ms 2/6/56
Copy to: Docket
Admr. R. File
Mr. Houk
Mr. Anderson

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

RECEIVED
JAN 26 1956

January 24, 1956

.edum

Operating Committee, DMEA - Washington

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

Subject: DMEA-3825, Idm-E852 (mica) Paul Freeman, Bakersville, N. C.
Hesby Edwards Mine, Mitchell County, North Carolina
Request for Termination

We have been unable to contact the Operator of this contract. The amendment was sent to him on December 23, and again on January 16, by registered mail and was returned from both addresses, marked "unclaimed" and "unknown". All copies of the amendment, and the two letters to the Operator are enclosed herewith. The envelopes are being kept in our files.

The date specified in the contract for completion of the job was January 6, 1956. No work has been done since September. It is obvious that the Operator does not intend to complete the job. Therefore, we request termination because of breach of the contract. If you agree with this, please prepare the necessary papers for such termination. Certification cannot be recommended, as the work has not progressed far enough. We think the money contributed by the Government should be repaid, but since we are unable to locate the Operator, it may be difficult to collect this money.

The land owner, Mr. Hesby Edwards, has asked that the contract be assigned to him. If permission to terminate is granted, we will then advise Mr. Edwards to file an application for a new contract, to complete the work as originally planned in this contract. We will recommend approval of such a contract without field examination.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/sm
cc:
Lynch
Shirley

V. J. Lynch, Member
Bureau of Mines

A.

RECEIVED
JAN 27 1956

INTERIM REPORT

DMEA-3825, Idm-E852 (mica) HESHY EDWARDS MINE

OPERATOR: Paul Freeman, P. O. Box 265, Bakersville, N. C.

LOCATION: 4.2 airline miles N40°W of Spruce Pine, Mitchell Co., N. C.

This project has not resumed work to date. The lessor was contacted, and he stated that the Operator had not notified him as to when work would begin again. The lessor was asked to advise the Executive Officer, by letter, if any future action at the mines is taken by the Operator.

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

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

January 18, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 425, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JAN 18 1956

January 16, 1956

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Paul Freeman
P.O. Box 265
Bakersville, North Carolina

Re: DMEA-3825, Idm-E852 (mica)
Hesby Edwards Mine, Mitchell County
North Carolina

Dear Mr. Freeman:

The enclosed letter and attachments were originally sent to 1982 North 4th Street, Columbus, Ohio, where we last heard from you, and was returned to us on January 7, marked "unclaimed" by the Columbus Post Office.

Please return the signed documents at the earliest possible date.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/am.
Enc. 7
cc:
Lynch
Opr. Gen.-2
Files

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

RECEIVED
JAN 18 1956

January 16, 1956

REGISTERED MAIL
RETURN RECEIPT REQUESTED

Mr. Paul Freeman
P.O. Box 265
Bakersville, North Carolina

Re: DMEA-3825, Idm-8352 (mica)
Bagby Edwards Mine, Mitchell County
North Carolina

Dear Mr. Freeman:

The enclosed letter and attachments were originally sent to 1982 North 4th Street, Columbus, Ohio, where we last heard from you, and was returned to us on January 7, marked "unclaimed" by the Columbus Post Office.

Please return the signed documents at the earliest possible date.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm.
Enc. 7
cc:
Lynch
Opr. Com.-2
Files

A

INTERIM REPORT

DMEA-3825, Idm-E852 (mica) HESBY EDWARDS MINE

OPERATOR: Paul Freeman, P. O. Box 265, Bakersville, N. C.

LOCATION: 4.2 airline miles N40°W of Spruce Pine, Mitchell Co., N. C.

This project was visited in order to learn if work has resumed on the contract. The incline was filled with water, and there was no existing evidence that any work had been attempted since the last interim report. No equipment has been moved to the mine. The landowner could not be contacted to learn if the Operator had returned to the area. Another visit will be made to the mine when the Field Examiners are in that area again.

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

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

January 3, 1956

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
DEC 27 1955

December 23, 1955

Memorandum

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

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

Subject: DMEA-3825, Idm-E852 (Mica)
Paul Freeman
Hesby Edwards Mine, Mitchell County, North Carolina

Reference is made to your letter of December 21.

We have signed and dated the amendment, and forwarded all copies to the Operator at the Columbus, Ohio address from which he last wrote.

We assume that the statement "any other remedy the law may provide for breach of contract" (Article 8b of the contract) is the basis for advising the Operator that the Government will demand repayment of all funds contributed by it, if work is not resumed by February 1 and the contract is then in default. Item 3 of the amendment states only that the contract will, in that case, be terminated and that the Government shall contribute only to the fixed unit costs of work performed prior to that date. However, we have advised the Operator that repayment will be demanded in case of default, as stated in your letter.

It is our understanding that Mr. Edwards, the land owner, would like to finish the work under the contract if Mr. Freeman defaults.

RAL/mg
cc: Operating Committee
Lynch
Files
Shirley

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

L. E. Shirley, for V. J. Lynch
U. S. Bureau of Mines

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

RECEIVED
DEC 27 1955

December 23, 1955

Registered Mail
Return Receipt Requested

Mr. Paul Freeman
1982 North 4th Street
Columbus, Ohio

Re: DMEA-3825, Idm-E852 (Mica)
Hesby Edwards Mine

Dear Mr. Freeman:

As requested in your recent letter, we have prepared amendment no. 1 to the exploration project contract, which will permit recessing the contract until February 1, 1956, and will extend the time for completion until May 6, 1956.

Please note that the work must be resumed by February 1 and completed by May 6 or the contract will be in default and it will become necessary to rescind the contract and demand repayment of all funds contributed by the Government.

Please sign all six copies, keep the Operator's Copy and return all the others to me. It will be appreciated if you will let me know several days in advance when work is to be resumed, so that our field examiners can schedule a visit to the project.

Very truly yours,

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

RAL/mg
Enclosures 6
cc - Operating Committee (2)
Lynch
Shirley
Files

DEC 21 1955 600

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

Subject: Docket No. BMSA-3825 - Mine
Paul Freeman
Rocky Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-8852

Dear Mr. Lawrence:

Reference is made to your memorandum of November 25, 1955, requesting an amendment extending the date of completion of the subject contract to March 6, 1956, and containing a clause that work must be resumed by February 1, 1956.

Pursuant to your request, we have prepared and enclosed herewith the original and five copies of Amendment No. 1 for your signature. If it meets with your approval please sign it in behalf of the Government and present it to the Operator for approval and signature. At the same time explain to the Operator that if he fails to start or complete the work on the dates as specified in the amendment, the contract will be in default and it will become necessary to rescind the contract and demand repayment of all funds contributed by the Government.

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

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

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 6

WCAnderson:ad 12/19/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

December 12, 1955

Memorandum

To: Mr. Walter C. Anderson

From: L. G. Houk

Subject: Termination Agreement - Docket No. DMEA-3825 - Mica
Paul Freeman
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

I talked to Mr. Frank Johnson on this. This termination agreement may be sent out as is. The letter from Laurence to Freeman should point out that:

1. Unless the work starts by February 1, 1956

2. Is completed by the time allocated them

either or both will constitute a breach of contract and the Government will rescind the contract and demand its money back.

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

November 25, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Contract Idm-2852, DMEA-3825 (mica) Paul Freeman, Operator - Mesby Edwards Mine, Mitchell County, N. C.

Enclosed are two copies of a letter received from Paul Freeman in response to our registered letter of November 16.

Under the circumstances, we feel that it must be assumed that Mr. Freeman intends to return and resume work under the contract. We therefore request an amendment to the contract extending the date of completion of the contract to May 6, 1956, and containing a clause stating that work must be resumed before February 1, 1956.

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

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

VJL/sm
cc:
Lynch
Shirley
Files
RAC-2

C O P Y

RECEIVED
NOV 28 1955

Mr. Robert A. Laurence
Executive Officer, DMEA
Region V

Re: DMEA-3825, Idm-E852 (mica)
Hesby Edwards Mine
Mitchell County, North Carolina

Dear Mr. Laurence

Because of conditions beon my control I will not be able to resume work on the mine untill the first of the year and would like to get an extention on the time.

Please let me know soon.

Very truly yours,

s/ Mr. Paul Freeman
1982 N. 4th Street
Columbus, Ohio

JAF/PF

copies by zm.
(sic)

cc:
Opr. Com.-2
Lynch
Shirley

C O P Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1010 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

November 23, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: DMEA-3825, Idm-E852 (mica) Paul Freeman, Bakersville, N. C.
Hesby Edwards Mine, Mitchell County, N. C.

Reference is made to our memorandum of November 22, on the subject contract.

This morning we received the return receipt for our registered letter to the Operator, which was delivered to him at Columbus, Ohio on November 21, 1955. As yet, we have not received a reply to the letter.

Robert A. Laurence

RAL/xm

cc:
Lynch
Shirley
Files

RECEIVED
NOV 25 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 SHIRO POST OFFICE BLDG.
KNOXVILLE 2, TENN.
November 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-3825, Idm-E852 (mica) Paul Freeman, Bakersville, N. C.
Hesby Edwards Mine, Mitchell County, N. C.

Work at this contract has been stopped since early October. We are advised that the Operator has left the state and his present whereabouts are unknown. A registered letter sent to his Bakersville address November 16 (return receipt requested) has not yet been acknowledged. At the time of abandonment, 18 feet of shaft had been completed and paid for.

According to Mr. Hesby Edwards, the land owner, Paul Freeman was under arrest for stealing cattle and was out on bond (provided by Mr. Edwards) and in addition to jumping bond, he has violated his parole from a previous sentence. Thus, even if he is located, it appears unlikely that he will resume work under the contract.

Mr. Hesby Edwards would like to complete the work authorized under the contract. We recommend termination of the existing contract for breach of contract. If an application is received from Mr. Edwards for completion of the work authorized in the contract, we would recommend approval of a new contract without referral to the field.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RECEIVED
NOV 25 1955

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

RAL/sm
cc:
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1087 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
NOV 18 1955

November 16, 1955

Mr. Paul Freeman
P.O. Box 265
Bakersville, North Carolina

REGISTERED MAIL
Return Receipt Requested

Re: DMEA-3825, Idm-M852 (mica)
Mesby Edwards Mine
Mitchell County, N. C.

Dear Mr. Freeman:

Our field examiners report that no work has been done on the Mesby Edwards mine since the latter part of September, and they have been unable to learn when you will resume work. Please note that the terms of the contract provide for completion of the work before January 6, 1956, which is less than seven week from now.

Please let me know at once when work will be resumed.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm
cc:
Opr. Com. -2
Lynch
Shirley
Files

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

RECEIVED
NOV 18 1955

November 16, 1955

Mr. Paul Freeman
P.O. Box 265
Bakersville, North Carolina

REGISTERED MAIL
Return Receipt Requested

Re: DMEA-3825, Idm-8852 (mica)
Hesby Edwards Mine
Mitchell County, N. C.

Dear Mr. Freeman:

Our field examiners report that no work has been done on the Hesby Edwards mine since the latter part of September, and they have been unable to learn when you will resume work. Please note that the terms of the contract provide for completion of the work before January 6, 1956, which is less than seven week from now.

Please let me know at once when work will be resumed.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm
cc:
Opr. Gen. -2
Lynch
Shirley
Files

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

RECEIVED
NOV 1 0 1955

November 7, 1955

Mr. Hesby Edwards
R#3
Bakersville, N. C.

DMEA-3825, Idm-3852 (mica)
Hesby Edwards Mine
Mitchell County, N.C.

Dear Mr. Edwards:

This is in reply to your letter of November 4, concerning the subject contract.

The contract may be re-assigned by Mr. Freeman if he is willing to do so, however, this will have to be worked out between you and Mr. Freeman.

The Operator's Monthly Report and Voucher (Form MF-104) for September was submitted by Mr. Freeman and it has been paid. We have heard northing further from him.

We are sorry this unfortunate situation has come about and hope that you can find Mr. Freeman and straighten it out.

Very truly yours,

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

VJL/sm

Opr. Com.-2

Files
Shirley - Lynch

Bakersville N.C.
Route 3
Nov. 4 - 55

United States Dept of Interior
Knoxville Tenn.

Dear Sir

The mine I leased Paul Freeman hasnt been worked for five weeks he has moved to Ohio and wont answer my letters. The machinery is here he rented, I stood good for it the man that worked hasnt been paid or the dynamite bill or any thing they had just got it cleaned out to the bottom of the old shaft when he quit. This is a little mice to be said but not much. Please advise me what to do Can I have the loan transered so it can be worked? Has he been paid yet? He has told his mother he was coming back

To work but hasent He is on perol
from the Pen in Ohio we have learned
he got in trouble here was accused
of rustling Cattle he said he was
incent and talked me in gaining
on his bond, If you have herd
from him or can do any thing about
this please let me know, For the
people are holding me responsible
for the Dept.

Thanking you

Sincerely Wesley Edwards

RECEIVED
NOV 7 - 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Mr. Kantis
Mr. Anderson

INTERIM REPORT

RECEIVED
OCT 13 1955

IMEA-3825, Idm-E852 (mica) HESBY EDWARDS MINE

OPERATOR: Paul Freeman, P. O. Box 265, Bakersville, N. C.

LOCATION: 4.2 airline miles N40°W of Spruce Pine, Mitchell Co., N. C.

Incline shaft sinking continues on this contract, and is now at 18 feet. The shaft contained water, and no work had been accomplished in the past few days. One of the men employed by the operator arrived at the mine shortly after the Examiners' arrival and stated that the bottom of shaft contained a round of muck. The shaft has been cribbed with 2-inch x 6-inch sawed oak boards to near bottom. An air compressor has been moved to the site, and a toolhouse and cap magazine has been built. The pegmatite is reported to be 3 to 3.5 feet thick in the present bottom, and an estimated 500 pounds of block mica has been recovered to date from all work completed.

The Field Examiners could not learn when work would resume at this mine. It was reported that the operator had become involved in some legal trouble and was out-of-state. Another visit will be made to the mine in the near future.

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

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

October 3, 1955

Mr Kuhne
Mr Anderson

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
OCT 7 - 1955

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of September 1955 Docket No. DMEA 3825 Contract No. 1955852
Operator's Name Paul Freeman Minerals mica
Address P.O. Box 265 Bakersville N.C.
Contract Amount, $ 4464 Government Participation: 75% Amount, $ 3348.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
SHAFT (18 ft)	810.00	NONE	810.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	101.00	NONE	101.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$911.00	NONE	$911.00	911.00		911.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date Sept 30-55 *Payee Paul Freeman
Per JoAnn Freeman Title Secretary

*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:

$ 683.25

Signature Helen R. Miller
(Authorized Certifying Officer)

Date OCT 5 1955 Vou. No. 68
(See other side)

227.75

(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. E 852 in accordance with the terms of the contract.

Signature V. J. Lynch Title Mining Eng Date 10/4/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date OCT 4 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
OCT 7 - 1955

Month of Sept. 1955 Docket No. DMEA 3825 Contract No. IDM E 852
Operator's Name Paul Freeman Minerals mica
Address P.O. Box 265 Babersville, 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 ✓	FT.	$810.00	18		18	$45.00	50	$45.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Total Distributed Costs							Total Costs Authorized by Contract	
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		$101.00		$101.00				
Total Costs		$911.00		$911.00				

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

Date Sept 30-55 Operator Paul Freeman
Per JOhn Freeman Title Secretary

Remarks:

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)

V. J. Legget
Mining Eng.
Bureau of Mines

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
OCT 1 1955

DMEA NO - 3825
IDM-E - 852

MONTH OF - SEPTEMBER '55 - WORK BEGAN - SEPT-7-55

WORK ACCOMPLISHED: Removed old slate from space where shaft was to be driven. Set up hoist and other machinery necessary for this type of work. Hired two men. Bought explosives Have advanced 18 feet with Shaft. Drilled and blasted nine rounds of holes in sets of three used a total of 18 sticks of powder.

DAILY NOTES:

Sept 7 - Started tool house, moved hoist into mine.

Sept 8 - Placed hoist into position, Bob Burleson started working today.

Sept 9 - Set up machinery for shaft

Sept 10 - Hoisted muck out of shaft

Sept 12 - Hoisted muck out of shaft aprox 4 foot depth

Sept 13 - Hoisted muck + water depth worked today aprox 2½ foot Shaft aprox 6½ feet

Sept 14 - Pumped water out of old shaft + worked on water pump.

Sept 15 - Finished pumping water from old shaft + continued work on new shaft

Sept 16 - Pumped water out of shaft, shaft aprox 7 ft

Sept 17 - Continued pumping out shaft

DMEA NO - 3825
DM-E 852
MONTH OF - SEPTEMBER 1955
BEGAN WORK - SEPT 7-55

DAILY NOTES:

RECEIVED OCT 7 - 1955

Sept 19 - Continued sinking shaft

Sept 20 - Walled up over head of shaft

Sept 21 - Moved in compressor. Drilled three three foot holes 6 sticks explosives

Sept 22 - Worked on compressor Drilled three 3 ft. holes 4 sticks of explosives

Sept 23 - Pulled muck from shaft that was busted up by shots

Sept 24 - Finished tool house

Sept 26 - Cribbed up shaft

Sept 27 - Continued on shaft

Sept 28 - " " "

Sept 29 - Built one magazine, Drilled 2-3 ft. holes used 2 sticks of 40% explosives Shows good mica, also found 2 good boots of mica

Date - Sept 30-55 PAYEE - Paul Freeman

PER - JoAnn Freeman TITLE - Secretary

INTERIM REPORT

DMEA-3825, Idm-E852 (mica) HESBY EDWARDS MINE

OPERATOR: Paul Freeman, P. O. Box 265, Bakersville, North Carolina

LOCATION: 4.2 airline miles N40°W of Spruce Pine, Mitchell Co., N. C.

The starting date on this contract is September 6, 1955. Incline shaft sinking is underway, and is now at 12 feet. All of the work, with the exception of a little muck in the bottom of the original cut, has been in pegmatite composed of feldspar, scattered quartz, minor muscovite, andconsiderable biotite mica. The body at this point is 4 to 5 feet thick. The operator was instructed, after completion of necessary timber work on the hanging wall, to continue sinking.

Mining equipment on the job consists of a double-drum gasoline powered hoist with conventional hoisting frame and necessary hand tools. A toolhouse has been partially built.

Mr. V. J. Lynch, Bureau member of the Field Team, accompanied the Field Examiners on this visit to the mine.

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

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

September 19, 1955

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

August 17, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, Region V - DMEA

Subject: Signed Contract, Idm-E852, DMEA-3825, Paul Freeman (mica)
Hesby Edwards Mine - Mitchell County, 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

2M.
cc:
Lynch
Finance Office
Shirley
Files

RECEIVED
AUG 19 1955

AUG 1 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-3825 - Miss Paul Freeman
Rocky Edwards Mine
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 Operator for his approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which he is 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 Operator 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 Mr. . F. Dietrich of the Bureau of Mines, dated July 13, 1955, and from W. E. Nelson of the Geological Survey, dated July 15, 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 8/8/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

IN REPLY REFER TO:

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

RECEIVED
JUL 18 1955

July 15, 1955

Re: DMEA 3825
Paul Freeman
Kesby Edwards Mine
Mitchell Co., N. C.
$4,463.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report

Perhaps the applicant should go back to the Kesby Edwards mine described in the application, it has a better record, according to the application, and appears to promise more.

I concur with the recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-7/15/55

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

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

July 8, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region V - Knoxville

Subject: Field Examination Report - DMEA-3825 (mica) Paul Freeman, Bakersville, N. C. Hesby Edwards Mine, 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 unit-cost contract for the inclined shaft and drifts as proposed in the report.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

RAL/sm
cc:
Lynch
Shirley
Files

RECEIVED
JUL 11 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM
REGION V

ON

DMEA-3825 (mica) HESBY EDWARDS MINE
Mitchell County, N. C.

By

Kefton H. Teague, Geologist
U. S. G. S.
and
Dewey H. Amos, Geologist
U. S. G. S.

RECEIVED
JUL 11 1955

June 27, 1955

FIELD EXAMINATION REPORT
On

EMRA-3825, HESBY EDWARDS MINE (mica)

Applicant: Paul Freeman, P.O. Box 265, Bakersville, North Carolina

Only limited work has been done at this deposit. A pegmatite which contains mica of strategic quality is exposed. It has been worked only to a shallow depth. There appears to be a good possibility that a worthwhile deposit of strategic mica is present, therefore, exploration assistance is recommended.

The deposit was examined on June 27, 1955. Messrs Paul Freeman and Hesby Edwards accompanied the examiners on the inspection which required two hours.

The Hesby Edwards Mine is 1000 feet south of Ledger School and N. C. Highway No. 26, 4.2 airline miles N. 40° W. of Spruce Pine, Mitchell County, North Carolina. The deposit is readily accessible at all times.

The applicant has had limited mining experience, however, appears to be capable of conducting the proposed work. Area under lease is circular in outline with a 500-foot radius. This is an adequate area.

There are no facilities on the property. Workings consist of an open cut which is about 60 feet long, 25 feet wide, with an uphill face about 10 feet. Much of the cut is in unweathered rock. One short incline which is 10 feet long and 10 feet deep has been sunk from the cut at the point where the pegmatite curves. Other shallow pits were destroyed during bulldozing.

The workings as described in the application are confused. Much of the description in the application referred to another line of prospects which trend parallel to the one on which the application applies. These are about 250 feet southeast of the one covered in the subject application.

The pegmatite is essentially conformable to the hornblende gneiss wall rock. Over most of its outcrop length the pegmatite trends about N. 10° E., but at the south end it bends to the west. In that part it strikes about N. 70° E. It is exposed along its strike for about 35 feet. Thickness is variable, ranging up to about 5 feet. There is no apparent zoning, although mica appears to be more abundant in the hanging wall half of the pegmatite. Dips are steep (70°-80°) to the southeast.

The pegmatite is composed of soda feldspar, quartz, muscovite, biotite and garnet, listed in order of abundance. Some of the biotite is intergrown with muscovite; however, most of it is as individual books.

The mica is ruby colored, hard, and clear. Some of the books are cracked, curved, and somewhat stained. There appears to be considerable mica of strategic quality in this deposit. Books up to 6 inches in diameter are exposed.

There is very little muck in the floor of the cut. It appears that the best way to explore this deposit is to sink an incline shaft on the pegmatite and drive drifts from it. The examiners recommend that a 50-foot shaft be sunk and 60 feet of drift be driven from it.

Estimated Cost:

Toolhouse	$75.00
Powder magazine	25.00
Exploder magazine	13.00

Sink 50-foot, 5' x 7' shaft, timbered where necessary (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.	330.00	
Pump (1 Mo.) @ $20/Mo.	20.00	
Hoist @ $50/Mo.	75.00	
	425	
Supplies:		
Explosives	175.00	
Drill steel	100.00	
Timber @ $65/M	195.00	
Gasoline and oil	100.00	
Small tools & pipe	75.00	
Miscellaneous	134.00	
Compensation Insurance	90.00	
Unemployment Ins. & Social Sec.	36.00	
Sales tax	20.00	$2,250.00

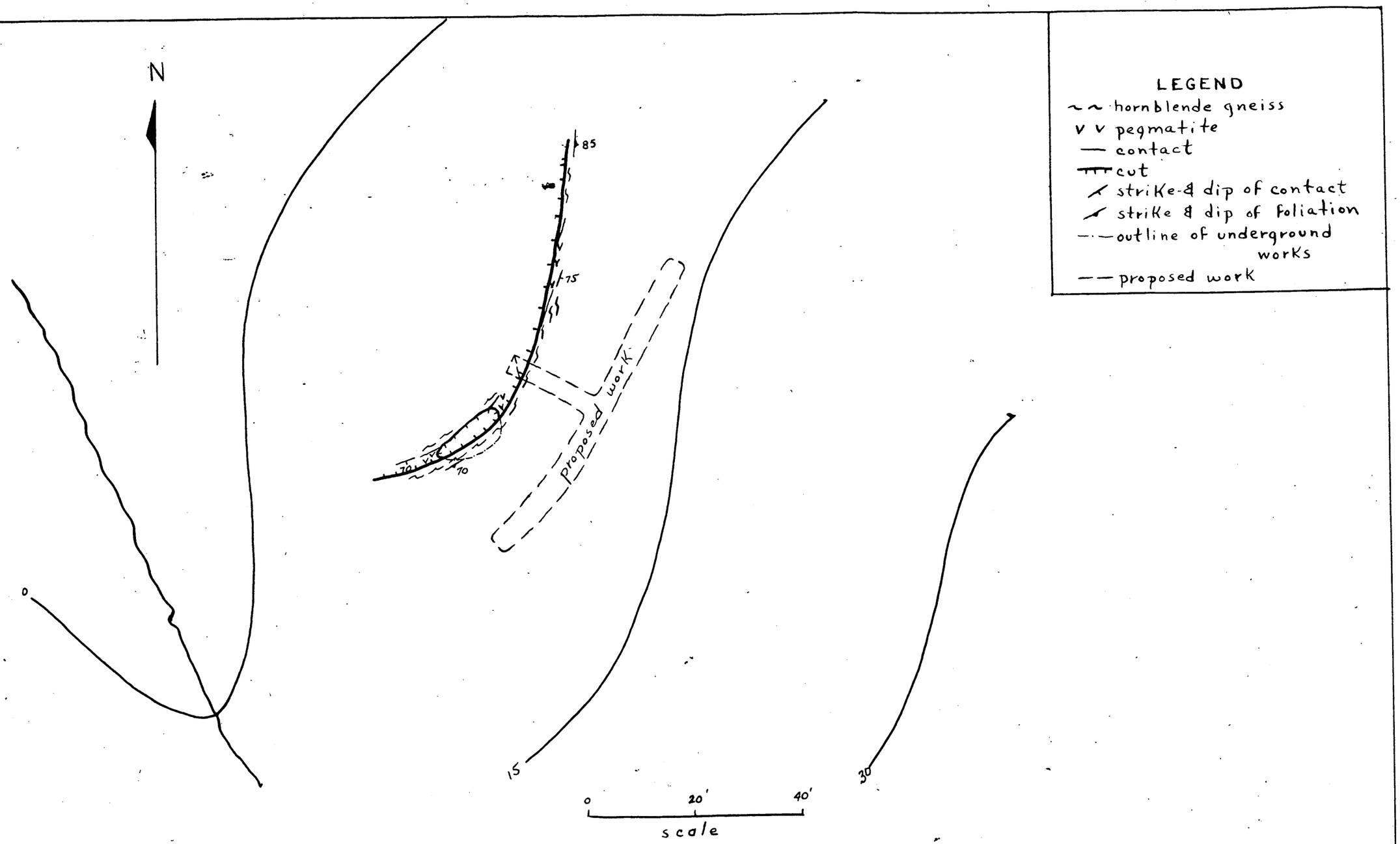
Drive 60 feet of drift (30 shifts) 1 6 45

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, pump, drill and jackleg @ $250/Mo.	375.00	
Hoist @ $50/Mo.	75.00	
Supplies:		
Explosives	200.00	
Drill steel	100.00	
Gasoline and oil	100.00	
Small tools and pipe	100.00	
Miscellaneous	104.00	
Compensation Insurance	90.00	
Unemployment Insurance & Social Sec.	36.00	
Sales tax	20.00	$2,100.00
Estimated total cost of project.....		$4,463.00

Examined: June 27, 1955

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



SKETCH OF
HESBY EDWARDS MINE
MITCHELL CO., N.C.

DMEA-3825 (mica)
June 27, 1955

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

RECEIVED
JUL 1 3 1955

July 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3825 (mica)

Applicant: P. Freeman

Name and Location of Property: Hesby Edwards Mine
Mitchell County, North Carolina

Date of Field Team Report: June 27, 1955

Date Rec'd by Br. of Ceramic and Fertilizer Materials: July 12, 1955

Field Team Recommendation: Recommend exploration program at a cost of $4,463

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

6 0

JUN 1 6 1955

Mr. Paul Freeman
P.O. Box 265
Spartanburg, North Carolina

Re: Docket No. [illegible] - [illegible]
Paul Freeman
Bosby Edwards Mine
Mitchell County, North Carolina

Dear Mr. Freeman:

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, [illegible] Field Team, Region V, Room [illegible], Post Office Building, Knoxville [illegible], 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,

Frank E. Johnson

ACTING Administrator

WCanderson:jk 6/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V (2)
Mr. Dietrich, 3061
Mr. Killegaard, 5222
Mr. Houk

JUN 16 1955 600

Mr. Robert A. Lawrence
Executive Officer, DME
Field Team, Region V
Room 17, Post Office Bldg.
Knoxville 2, Tennessee

Subject: Docket No. [illegible]-9825 - Mica
Paul Freeman
Bosby Edwards Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

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 June 3, 1955, and from W. F. Dietrich of the Bureau of Mines, dated June 7, 1955, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 4

WCAnderson:pk 6/13/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

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

RECEIVED
JUN - 7 1955

June 7, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3625 (mica)

Applicant: Neal Freeman

Name and Location of Property: Rocky Edwards Mine
Mitchell County, North Carolina

Date Application Rec'd. by Br. of Ceram. & Fert. Mat.: May 24, 1955

Comments:

1. No data available to this office on subject mine.

2. Old workings of several shallow pits are present.

3. No record of any GSA purchases from subject mine.

4. Geologic factors show a favorable area for exploration.

5. Exploration proposed by applicant is consistent with local practices and in line with unit-cost estimates for other DMEA projects.

6. Total estimated costs are in the amount of $6,312.26.

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

IN REPLY REFER TO:

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

RECEIVED
JUN - 6 1955

June 3, 1955

Re: DMEA-3825
Paul Freeman
Kesby Edwards Mine
Mitchell Co., N. C.
$6,318.25 - Mica

Memorandum

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

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

Subject: Review of application

If the old shaft is only 30 feet deep it would cost much less to clean it out and resume work on the "rich mica column" said to be in the bottom, than to sink a new shaft and drift 50 feet to get under a too often mythical 'good thing.'

Perhaps some work is justified, but at least partial verification should precede any work. An inspection and report by the Field Team are recommended.

N. E. Nelson

N. E. Nelson

NENelson:hlm
G-6/3/65

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