DMEA 3825

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	5/28/55
2	CONTRACT	DATE	8/10/55
3	TERMINATION AGREEMENT	DATE	
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	

Extra copy

EXPLORATION PROJECT CONTRACT
PAUL FREEMAN
DOCKET NO. DMEA-3825

AMENDMENT NO. 1

It is agreed this _____ 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 Paul Freeman, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E852, Docket No. DMEA-3825, dated August 10, 1955, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning October 1, 1955, and ending not later than February 1, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is extended from "January 6, 1956," to "May 6, 1956."

3. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) Effective October 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 said effective date.

(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.

(d) All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

(e) 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.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Executive Officer
DMEA Field Team, Region V

_____
PAUL FREEMAN

Docket Copy

MF-200A
(Revised June 1954)

Docket No. DMEA-3825

Commodity Mica

Contract No. Idm-E 852

RECEIVED
AUG 19 1955

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

AUG 10 1955

It is agreed this ..... 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 265, 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."

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before 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 O Mitchendorf
Administrator, Defense
Minerals Exploration
Administration

Hoffland
Asst. Sol. Off."
Anderson
J Hasson
Talbert
Wyman

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. DMEA-3825

ANNEX I

The land referred to in Article 2 of the contract form is known as the Hesby 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 Neeby 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.

RECEIVED
JUL 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.

Hesby Edwards [Seal]

Cary Edwards [Seal]

[Seal]

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

July 30, 1956

Memorandum

To: Operating Committee

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMEA-3825 (Mica), Paul Freeman
Hesby Edwards Mine, Mitchell County, N. C.
Contract No. Idm-2852

The only legal means of getting money into the hands of the disbursing officer is the issuance of a contract. When we rescind such contract we must also withdraw the funds which would leave the disbursement to be borne by the certifying officer and the disbursing officer. We can rescind the contract only so far as the unexpended balance is concerned. It appears to me that the best way is to declare the contract in default and ask Mr. Freeman to reimburse the Government.

Attachment

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 7/24/56

REFERRED TO:
1. Mr. Dwyer, 7343
2. ~~Mr. Chambers~~
3. ~~Mr. Selfridge~~
4. Mr. Johnson
5. Mr. Mittendorf
6. Mails & Files

FOR:

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

Omea 4-247

INTERIOR DEPT.
JUL 25 1956
SOLICITOR

REMARKS: This should not go out. See my note.

RECEIVED
Check (X) before the items needing attention.
JUL 25 1956
ASSOC. SOLICITOR
MINERAL RESOURCES

Lawrence G. Hoff
Initials of sender.

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

July 30, 1956

Memorandum

To: Operating Committee

From: Jay L. Chambers, Chief
Contract Administration and Audit Division

Subject: Docket No. DMEA-3825 (Mica), Paul Freeman
Hesby Edwards Mine, Mitchell County, N. C.
Contract No. Idm-E852

The only legal means of getting money into the hands of the disbursing officer is the issuance of a contract. When we rescind such contract we must also withdraw the funds which would leave the disbursement to be borne by the certifying officer and the disbursing officer. We can rescind the contract only so far as the unexpended balance is concerned. It appears to me that the best way is to declare the contract in default and ask Mr. Freeman to reimburse the Government.

Attachment

Mr. Houck - Note Jay Chambers objections - Why don't we just write to Freeman and tell him he is in default and demand the return of the money paid to him? Why tell him some one else will pay? Westons can

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

July 30, 1956

Memorandum

To: Operating Committee

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMEA-3825 (Mica), Paul Freeman
Bashy Edwards Mine, Mitchell County, N. C.
Contract No. Idm-3852

The only legal means of getting money into the hands of the disbursing officer is the issuance of a contract. When we rescind such contract we must also withdraw the funds which would leave the disbursement to be borne by the certifying officer and the disbursing officer. We can rescind the contract only so far as the unexpended balance is concerned. It appears to me that the best way is to declare the contract in default and ask Mr. Freeman to reimburse the Government.

Attachment

JLChambers/wb
July 30, 1956

Copy to: Docket
Admr. Reading File
Mr. Houk
Mr. Chambers

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

OFFICIAL BUSINESS

REGISTERED MAIL

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

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

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

REGISTERED MAIL

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

terminates

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. 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 No. 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,

Administrator

Docket Copy
Surname:
Indritz 7/25/56
Anderson
Houk
Dwyer

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

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

REGISTERED MAIL

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

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. 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 No. 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.

FROM SOLICITOR
JUL 27 1956
FOR SIGNATURE

Sincerely yours,

Administrator

PIndritz:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indritz
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

REGISTERED MAIL

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Healy Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-8352

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Idm-8352 (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-8951, Docket No. 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 $643.25 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 $643.25, as well as any sums due to the Government under his contract, the Government may look to you for repayment of such sum of $643.25.

Sincerely yours,

Administrator

PIndrita:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indrita
Mr. Hillsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

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

REGISTERED MAIL

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

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. 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 No. 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,

Administrator

PIndritz:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indritz
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

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

REGISTERED MAIL

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

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. 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 No. 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,

Administrator

PIndritz:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indritz
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

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

REGISTERED MAIL

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

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. 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 No. 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,

Administrator

PIndrits:gcd 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indritz
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

REGISTERED MAIL

Re: Docket No. DMSA-1825 - Mica
Paul Freeman
Hosty Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-1852

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Idm-1852 (Docket No. DMSA-1825), dated August 16, 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-2951, Docket No. DMSA-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,

Administrator

Flmdrits:gmd 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indrits
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

REGISTERED MAIL

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Healy Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-4852

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Idm-4852 (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-5951, Docket No. 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,

Administrator

PIndrita:gcd 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indrita
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

Mr. Paul Freeman
P. O. Box 203
Bakersville, North Carolina

REGISTERED MAIL

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Beaty Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-[illegible]52

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Idm-[illegible]52 (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-X951, Docket No. 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,

Administrator

P'Indrita:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Hook
Mr. Indrita
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

Mr. Paul Freeman
P. O. Box 263
Bakersville, North Carolina

REGISTERED MAIL

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Neeby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-2852

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Idm-2852 (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-2951, Docket No. DMEA-4247) with Mr. M Hawkins of Route 3, Bakersville, North Carolina, to continue the exploration work required under your contract. Mr. Hawkins has assumed the obligation to repay the Government the sum of $643.25 contributed by the Government under the prior contract with you, but the contract with Mr. Hawkins 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. Hawkins fails to pay said sum of $643.25, as well as any sums due to the Government under his contract, the Government may look to you for repayment of such sum of $643.25.

Sincerely yours,

Administrator

Pindrits:gmd 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indrits
Mr. Kiilagaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

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

REGISTERED MAIL

Re: Docket No. DMEA-3825 - Mine
Paul Freeman
Nesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-8852

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Idm-8852 (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-8951, Docket No. DMEA-4247) with Mr. Ed Hawkins of Route 3, Bakersville, North Carolina, to continue the exploration work required under your contract. Mr. Hawkins 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. Hawkins 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. Hawkins 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,

Administrator

PIndritz:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indritz
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

REGISTERED MAIL

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Hosby Edwards Mine
Mitchell County, North Carolina
Contract No. Inm-1352

Dear Mr. Freeman:

You are hereby notified that the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, herewith rescinds Contract No. Inm-1352 (Docket No. DMEA-3825), dated August 18, 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 (Inm-1951, Docket No. 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,

Administrator

PIndrita:gad 7/24/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Johnson
Legal
Mr. Houk
Mr. Indrita
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers

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

July 30, 1956

Memorandum

To: Operating Committee

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Docket No. DMEA-3625 (Mica), Paul Freeman
Rocky Edwards Mine, Mitchell County, N. C.
Contract No. Idm-2852

The only legal means of getting money into the hands of the disbursing officer is the issuance of a contract. When we rescind such contract we must also withdraw the funds which would leave the disbursement to be borne by the certifying officer and the disbursing officer. We can rescind the contract only so far as the unexpended balance is concerned. It appears to me that the best way is to declare the contract in default and ask Mr. Freeman to reimburse the Government.

Attachment

JLChambers/wb
July 30, 1956

Copy to: Docket
Admr. Reading File
Mr. Houk
Mr. Chambers

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

August 2, 1956

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-E951, 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

W. C. Anderson
Nonmetallic Minerals Division

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

JUN 25 1956

Mr. Robert A. Lawrence
Executive Officer
DMEA Field Team, Region V
Room 14, Post Office Building
Knoxville 2, Tennessee

Dear Mr. Lawrence:

Enclosed are the original and two copies of Reports of Review covering the following completed or terminated Exploration Project Contracts:

Contract No.	Docket No.	Operator
Idm-E790	DMEA-3689	Zeb Angel, and his assignee, Carolina Mining Company
Idm-E852	DMEA-3825	Paul Freeman
Idm-E925	DMEA-4055	Joe C. Vance

If you concur with the facts stated therein, the original and one copy of each Report of Review should be forwarded to the Certifying Officer and one copy of each should be retained in your files. If, for any reason, a Report of Review does not have your concurrence please return all copies thereof to this Division.

Copies of Field Team reports received in this office have provided a means of verification for the work performed under unit costs provisions of the contracts.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosures

EDTalbert/ama
June 25, 1956

Copy to: Docket - DMEA-3825
Admr. Reading File
Helen Miller
Mr. Chambers

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON POST OFFICE BLDG.
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-E852 -Mica. Paul Freeman, Applicant
Hesby 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

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

Wm A Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM POST OFFICE BLDG.
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, Idn-2852 -Mica. Paul Freeman, Applicant
Healy 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/am
cc:
Lynch
Shirley
Files

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

RECEIVED
MAR 1 1956

March 13, 1956

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

Lynch
Files
VJL/zm Shirley
cc:
Opr. Com.-2

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.

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Lehman
Nittendorf

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

600

MAR 8 1956

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

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

Dear Mr. Laurence:

Reference is made to your memorandum of January 24, 1956, concerning termination of the subject contract and proposal, by Mr. Hesby 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 (SHB)

Approved:

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

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

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

R.C.S.

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

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

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-2852-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/mm
cc:
Lynch
Shirley
Files
Opr. Com.-2

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

FEB 1 3 1956

Memorandum

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

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3825, Paul Freeman, Contract Idm-E852 (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 Team's 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 in Mr. Houk's memorandum, the Government should accept the landowner's offer.

Accordingly, we are returning the docket for further consideration.

Robert P. Dwyer

Robert P. Dwyer

Attachment

Arthur Dwyer

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

FEB 1 3 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Nonmetallic Minerals Division
From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3825, Paul Freeman, Contract Idm-R852 (Mica)

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

We note that the Field Team's 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 in 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: DMEA Docket
Solicitor's Docket
L. G. Houk
G. C. Selfridge
RPDwyer
HCRubin
chron.

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

FEB 13 1956

Memorandum

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

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-3825, Paul Freeman, Contract Idm-2852 (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 Team's 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 in Mr. Houk's memorandum, the Government should accept the landowner's offer.

Accordingly, we are returning the docket for further consideration.

Robert P. Dwyer

Robert P. Dwyer

Attachment

DOCKET COPY
Surname:
Anderson
Houk

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

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
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-2852

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
HOWARD POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JAN 26 1956

January 24, 1956

Memorandum

To: 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
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

Government's copy

EXPLORATION PROJECT CONTRACT
PAUL FREEMAN
DOCKET NO. DMEA-3825

AMENDMENT NO. 1

It is agreed this 23 day of December, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Paul Freeman, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E852, Docket No. DMEA-3825, dated August 10, 1955, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning October 1, 1955, and ending not later than February 1, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is extended from "January 6, 1956," to "May 6, 1956."

3. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) Effective October 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 said effective date.

(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.

(d) All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

(e) 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.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

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

PAUL FREEMAN

Docket copy

EXPLORATION PROJECT CONTRACT
PAUL FREEMAN
DOCKET NO. DMEA-3825

AMENDMENT NO. 1

It is agreed this 23rd day of December, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Paul Freeman, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-3852, Docket No. DMEA-3825, dated August 10, 1955, hereinafter called the "Contract," that:

1. (a) Work under the Contract shall be suspended during the period beginning October 1, 1955, and ending not later than February 1, 1956.

(b) No costs incurred by the Operator during the period of suspension shall be allowable for contribution by the Government, and the Government shall not contribute to any costs of rehabilitation or repair which, in its opinion, would not have occurred if there had been no suspension of the work.

(c) The Operator at his own cost and expense, without contribution by the Government, during the period of suspension shall preserve and protect the project work and any property in which the Government has an interest.

2. The time fixed for the completion of the work is extended from "January 6, 1956," to "May 6, 1956."

3. It is of the essence of this Contract that the work be resumed before the termination of the period here fixed for suspension; and if it is not so resumed in the manner required by the Contract, the following provisions shall thereupon become effective:

(a) Effective October 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 said effective date.

(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.

(d) All rights of the Government provided for in the Contract with respect to a certification of discovery or development and a percentage royalty and lien for its payment are preserved.

(e) 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.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

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

Butler
Dwyer
"Appd. Sol. Off."
Anderson
Hook
Fiske
Chamber
Selfridge
Jefferson
Whittenberg

PAUL FREEMAN

RECEIVED
JAN 27 1956

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 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

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

S. C. Bergman

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

January 18, 1956

INTERIM REPORT

RECEIVED
JAN 13 1956

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

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

S. C. Bergman

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

January 3, 1956

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

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

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

Enclosures 6

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

RECEIVED
JAN 26 1956

January 16, 1956

REGISTERED MAIL
RETURN RECEIPT REQUESTED

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

Re: DMEA-3825, Idn-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

Robert A. Laurence
Executive Officer, DMEA
Region V

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

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.

Robert A. Laurence

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

L. E. Shirley

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

DOCKET FILE
Surname:
Anderson
Houk
Fisher
Chapplear
Selfridge
Johnson
Rutkendorf

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

600

DEC 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-3825 - Mica
Paul Freeman
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E852

Dear Mr. Laurence:

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 (GCS)

Approved:
/s/ Robert W. Geoham (GCS)
Member, Bureau of Mines
Thor H. Kiilsgaard (GCS)
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

R. G. L.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
HOWARD H. BAKER OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
NOV 28 1955

November 25, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Contract Idm-E852, DMEA-3825 (mica) Paul Freeman, Operator - Hesby 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
Robert A. Laurence
Executive Officer, DMEA
Field Team, Region V

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

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 been 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 25, POST OFFICE BLDG.
WASHINGTON 25, D.C.
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

Robert A. Laurence

RECEIVED
NOV 25 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 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
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RECEIVED
NOV 25 1955

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

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

RECEIVED
NOV 10 1955

November 7, 1955

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

DMEA-3825, Idm-E852 (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 MP-104) for September was submitted by Mr. Freeman and it has been paid. We have heard nothing 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 anything 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 nothing cause he said he was
innocent and talked me in going
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 debt.

Thanking you

Sincerely Wesley Edwards

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

RECEIVED
OCT 13 1955

INTERIM REPORT

DMEA-3825, IdN-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
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

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

October 3, 1955

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, and considerable 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

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

K. H. Teague

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

September 19, 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 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

V. J. Lynch

RECEIVED
AUG 19 1955

Docket Copy
Surname:
Anderson
F. L. Kessler
Talbert
Martin
F. Foreman

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

600

AUG 10 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 - Mica
Paul Freeman
Hesby 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 N. E. Nelson of the Geological Survey, dated July 15, 1955, are enclosed.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (GHB)

Approved:

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

Thor H. Kiilsgaard (GHB)
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

R. R. S.

Memorandum August 5, 1955.

To: Files

From: Walter C. Anderson

Subject: Evaluation of application and field examination report
Docket No. DMEA-3825-Mica
Paul Freeman
Healy Edwards Mine
Mitchell County, North Carolina.

A contract is recommended

Mica: Ruby colored, hard and clear. Some books are cracked, curved and somewhat stained. Abundant occurrence with books up to 6 inches across.

Pegmatite - Up to 5 feet thick and exposed for 35 feet along strike. No apparent zoning and conformable to hornblende gneiss wall rock. Dips steeply (70°-80°). Mineral occurrence in order of abundance: pink feldspar, quartz, muscovite, biotite and garnet.

Old Workings - Open cut, 60 feet by 25 feet by 10 feet deep. Adit 10 feet deep.

Method of exploring - Applicant proposed to sink a 50 foot deep shaft and drive 90 feet of drift for a total cost of $6312. The field team's plan is the same except for 60 feet of drift at a cost of $4,463.

Economics - The work will follow the pegmatite. If the pegmatite continues at the present thickness the work will all be in pegmatite. Shaft sinking will cost $45 per foot and

drifting @ 35 per foot, which are in line with other DMEA projects. There will be no rehabilitation costs.

Recommendation

The proposed exploration is consistent with good engineering practice and since the deposit appears to have possibilities for the discovery of mica, this office concurs in field leaning recommendation for a contract. The commodity members from the Geological Survey and Bureau of Mines also concur

IN REPLY REFER TO:

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

July 15, 1955

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

Memorandum

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

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

Subject: Review of Field Team report

Perhaps the applicant should go back to the Hesby 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

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

W. F. Dietrich

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

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch

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

RECEIVED
JUL 11 1955

Reviewed by
DMEA OPERATING COMMITTEE
7-13-55
(date)

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.

June 27, 1955

RECEIVED
JUL 11 1955

Reviewed by
DMEA [illegible]
7-13-55
(date)

FIELD EXAMINATION REPORT
On

DMEA-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	
Equipment (rental)		
Compressor and drill @ $220/Mo.	330.00	
Pump (1 Mo.) @ $20/Mo.	20.00	
Hoist @ $50/Mo.	75.00	
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

$2,250.00/50 = $45/ft

Drive 60 feet of drift (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, pump, drill and jackleg @ $250/Mo.	375.00	
Hoist @ $50/Mo.	75.00	

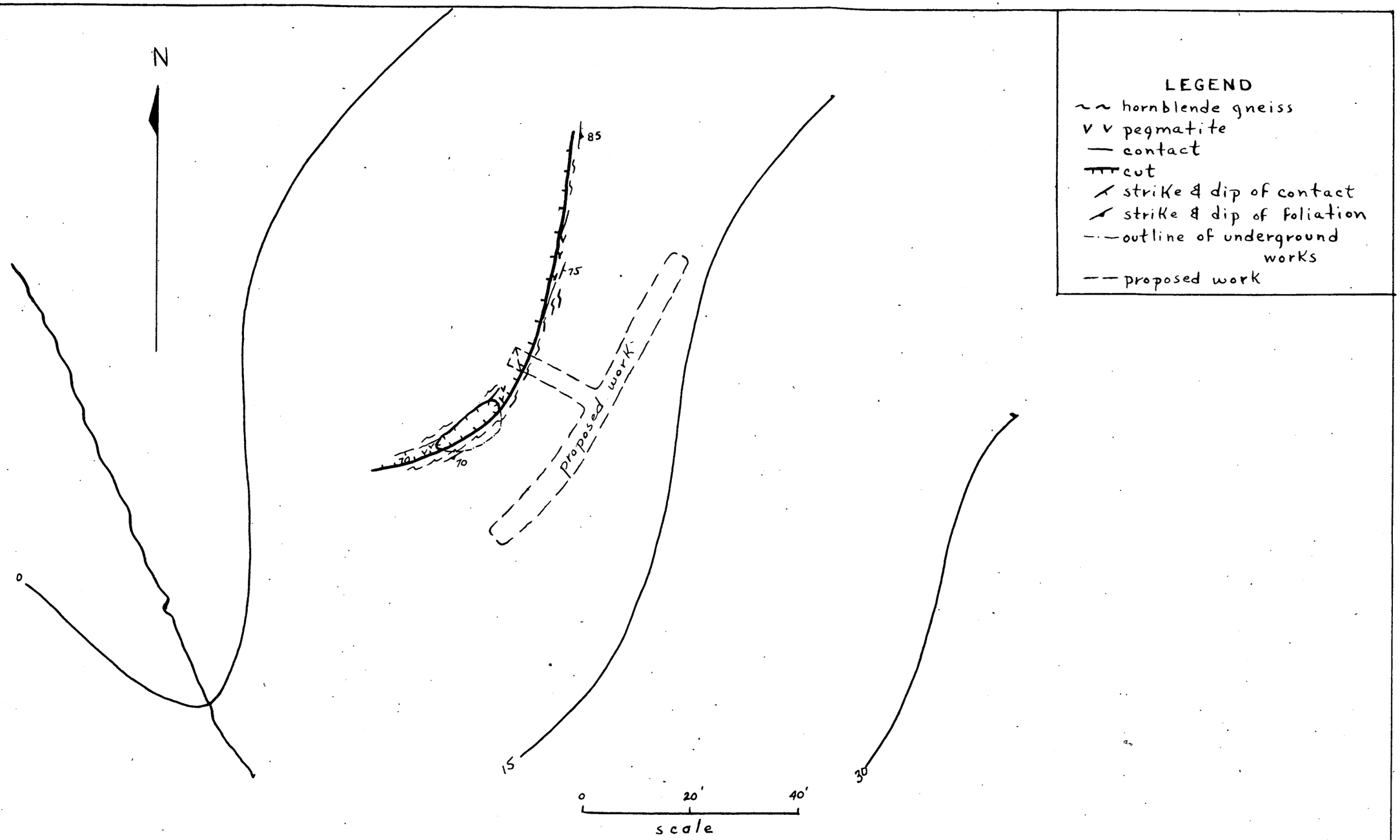
Supplies:

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

Docket file
Surname:
Anderson
Houk
Selfridge
Hopkins

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

JUN 16 1955

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

Subject: Docket No. DMEA-3825 - Mica
Paul Freeman
Hesby Edwards Mine
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 M. 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 (HB)

Approved:

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

Thor H. Kiilsgaard (HB)
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

R.C.S.

Docket File
Surname:
Anderson
Houk
Kiilsgaard
Selfridge
Lehan
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 630

JUN 16 1955

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

Re: Docket No. DMEA-3825 - Mica
Paul Freeman
Hesby 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, 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,

Frank E. Johnson

ACTING Administrator

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

R.C.S.

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-3825 (mica)

Applicant: Paul Freeman

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

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

Comments:

1. No data available in 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

W. F. Dietrich

IN REPLY REFER TO:

MCa

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

RECEIVED
JUN - 6 1955

June 3, 1955

Re: DMEA-3825
Paul Freeman
Hesby Edwards Mine
Mitchell Co., N. C.
$6,312.26 - Mica

Memorandum

To: L. G. Houk, 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

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

May 23, 1955

Subject: DMEA-3825
Re: Exploration Assistance
Hesby Edwards Mine

Paul Freeman
P.O. Box 265
Badgersville, N. Carolina

Dear Sir:

The receipt of your application dated May 13, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3825 and referred to the Non-Metallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

1 set (5)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

(Original)

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. 3825
Metal or Mineral Mica
Date Received 5-28-56
Estimated Cost 6,312.26
Participation (Government %) 75

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

(*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. None

(*c*) If a corporation, add to above statement, titles, names and addresses of officers. None

(*d*) If a partnership, add to the above statement the names and addresses of all partners. No Partnership

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 The Hesby Edwards mine. Located in Snow Creek Township, Mitchell County, N.C. Said mine located on lands now owned by Hesby Edwards and also known as the Will Norman place. Mineral lease includes old works and 500 feet working space in all directions from site of proposed exploration shaft.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessee by virture of Mineral Lease dated 10th May, 1955

(*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 inclosed herewith. (copy)

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

(*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 supplement sheet.

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

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

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

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

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

(*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 sketch attached hereto.

(*c*) The work will start within 30 days and be completed within (4) 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 operation See attached sheet.

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.). None.

(*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. See attached sheet.

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

(*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. See attached sheet.

(*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. See attached sheet.

(*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. See attached sheet.

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

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

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

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

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

Explain in detail on acompanying paper. Light equipment.

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 May 13th, 1955

Paul Freeman

Paul Freeman, (Applicant)

By (Self)

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

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

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 10th day of May, 1955, ~~1953,~~

between Hesby Edwards and wife, Cary Edwards

of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and Paul Freeman

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby 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:

Hesby Edwards mine, Snow Creek Township, Mitchell County, North Carolina and located on the lands now owned by Hesby Edwards and know as 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.

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 parties of the first part, or his or their heirs or assigns, a rental royalty of of one-eighth of the selling price the mica, mined and sold from said mine

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 lessors 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 lessors. 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:

Hesby Edwards (Seal)

Cary Edwards (Seal)

Paul Freeman (Seal)

NORTH CAROLINA

MITCHELL COUNTY

I, R. P. Greene, a CSC of Mitchell County, North Carolina, do hereby certify that Hesby Edwards and wife, Cary Edwards, this day personally appeared before me and acknowledged the due execution of the annexed Mining Lease. Let the instrument with this certificate be registered.

Witness my hand and Official Seals, this the 10 day of May 1955.

T R. P. Greene
CSC

Filed for Registration on the 10 day of May 1955 at 3:15 o'clock P M., and Registered in the office of the Register of Deeds for Mitchell County, N. C. this 10 day of May 1955 at 3:20 o'clock P M., in Book 16 of Deeds, on Page 333 etc.

Bill Masters
Register of Deeds

Re: FREEMAN, Paul
P.O. Box- 265
Bakersville, North Carolina.

SUPPLEMENT SHEET NO. 1.
--RE: --
FORM MF-103, (Revised)

Section 4-(a) PHYSICAL DESCRIPTION.

The mica prospect herewith referred to as the "Hesby Edwards mine" is located on the North side of a ridge on the Hesby Edwards property located approximately 1/4 mile South-Southwest of N.C. State highway # 26 near the Normansville or Ledger public school between Spruce Pine, N.C. and Bakersville, N.C. There is no current operation or mining. Signs of previous operations are numerous and include several shallow pits & drifts about 150 yards above the proposed exploratory shaft. There is a shaft said to be 30 feet deep but now covered over which is located about 50 feet Northeast of the site of the proposed exploratory shaft. There is also a wide cut or pit approximately 40 feet long by 30 feet wide and 30 feet deep at the head. Quite a large amount of backfilling is in this cut or pit. The 30 ft shaft above mentioned is located at the head of this pit near N.E. corner. The proposed exploratory shaft would be sunk in extreeme S.W. corner of the pit at a point where the pegmatite body has been penetrated by previous mining to a depth of about 15 feet from bottom level of the pit. The above named applicant had no part in any previous operations. The proposed exploratory project is accessible over a good gravel road leading off the N.C. State highway to within 50 feet of proposed shaft. The distance from proposed project site to paved highway # 26, being about 1/4 mile.

Sect. 4-(b) PAST & CURRENT PRODUCTION.

There is no current operation thus no current production at the site of the proposed exploration shaft. The owner of the property has repeatily refused to lease the property in the past four years that he has owned the property. The property owner has recovered several small quanities of good grade ruby mica from the old dumps and from shallow pits opened by him. Two years ago, 1953, the property owner permitted some parties to sink a shallow shaft in the S.W. corner of the open pit (the 15 ft shaft above mentioned) and said parties are said to have recovered and sold to Govt. Mica Buying Depot at Spruce Pine, about $ 500.00 worth of good ruby mica. No record is available on production of the several old workings as some of them are said to date back prior to World War 1.

Sect. 4-(c) GEOLOGIC DATA OF PROSPECT.

The pegmatite body averaging about 3-½ feet across from hanging wall to footwall slates, strikes a course running roughly N.E. & SW the pitch being to the south on slope of approximately 60 to 70 degrees. Both footwall & hangingwall slates are exposed in the shallow shaft,(12 to 15 Ft). The main body is composed of Kaolinized feldspar with which is intermingled quartz pods & granite. Large layers of soda feldspar ajacent to a prominent quartz core was noted the quartz core averaging about 6" to 8" thick. Small to mediumn books of muscovite mica was noted particularly near hangingwall slat Examination of dump revealed considerable quartz, granite, slate and feldspar. Some weathered books of mica was noted in dump that measured 4" across. An examination of some sheeted mica at the home of the landowner revealed sheets of ruby mica from 2" to 4" that was of good texture, hard and exceptionaly free of defects such as crack reeves, iron ects. From information gathered from sources which the applicant considers reliable, a large quanity of high grade ruby mic was recovered from the 30' shaft that is now caved and covered and also from some of the old workings 150 yards above the proposed exploratory shaft. It is the applicants beleif that large quanities of stregetic mica can be recovered by sinking the proposed shaft.

Re: FREEMAN, Paul
P.O. Box 265
Bakersville, N.C.

SUPPLEMENT SHEET NO. 2.
RE:
FORM MF-103, (Revised)

Section 4-(d) ACESSIBILITY OF PROJECT.

The proposed project is located at the head of a good gravel road leading off N.C. State Highway # 26, at a point some 200 yds above the Ledger Public School in Normansville community which is 5 miles NW of Spruce Pine, N.C. and 7 miles SE of Bakersville, N.C. It is approximately ¼ mile off the paved # 26 highway and can be reached by auto year round over the gravel road. The nearest Railway shipping point is Penland, N.C. on Clinchfield Ry. about 3½ miles from project. The main supply point is Spruce Pine, N.C. 5 miles over all paved road from project. The nearest residence to the project is that of Mr. Hesby Edwards, the landowner, which is about 300 yards from the proposed project.

Sect. 4-(e) MANPOWER, SUPPLIES, MATERIALS, ECTS.

Experienced miners are available at all times and no trouble will be incurred in securing ample manpower to operate the project in a safe and business like manner. Ample materials, supplies & equipment necessary for operation of project are ready available at Spruce Pine N.C. 5 miles from project. A power line runs within 300 yards of the project and ample water supply is assured from a pipe line about 300 yards from the project.

Section 5-(a) PROPOSED EXPLORATORY WORK.

At the Southwest corner of the open cut or pit there is a shallow shaft approximately 12 to 15 feet deep by 15 feet wide from which the pegmatite has been removed from slate to slate. This is the same shallow shaft referred to in Sect. 4 (a) & 4 (b), from which several hundred dollars worth of good grade mica was recovered by parties in 1953. As these parties was not working under a lease but only by the special permission of the landowner, they were stopped from working by the landowner when they began to dump muck from the operation on the vein area and pileing it up around portal of the shaft. It is proposed by the applicant to start in bottom of this same shaft and sink a shaft 5' X 7' down with the dip of the vein to a depth of 50 feet which would bring the bottom of proposed shaft some 15 to 20 feet below the bottom of the old 30 ft shaft (caved) which is located about 50 feet NE and from which it is reliabably reported, large quanity of good mica was recovered by the old workers. (2) After reaching the 50 ft level in the proposed shaft, a drift would be turned off with the NE strike of the pegmatite body and driven 50 feet which should bring the drift directly under the old caved shaft and a contact with a rich mica column reported to have been abandoned in bottom of the old shaft due to excess water & poor demand for mica at time the shaf was in operation. No contact with the old shaft itsself would be made via proposed drift as the proposed new drift would be some 15' to 20' below the bottom level of the old 30 ft shaft.(see sketch)

Sect. 5-(d) MINING QUALIFICATION OF WORKERS.

The applicant,(Lessee) has had some 4½ years experience in mining of mica & feldspar and would take active part in operation of proposed project. A sufficient number of experienced miners would be employed to carry out the proposed work. No worker will be employed who has had less than (2) years actual mining experience in underground mica operations. [redacted]

Re: FREEMAN, Paul
P.O. Box-265
Bakersville, N.C.

SUPPLEMENT SHEET NO. 3.
- Re:-
FORM MF-103, (Revised)

Section 6. ESTIMATE OF PROJECT COSTS.

Sect. 6-(a) Independent Contracts.--NONE.

Sect.6-(b) LABOR-SUPERVISION & CONSULTANTS.

No.	Class.	Hr. Rate.	Weekly Rate	Monthly Rate	(16) Week Period based On Rate. 640 Working Hours.
(1)	Supervisor	$ 1.75	$ 70.00	$ 280.00	$ 1120.00 " " "
(1)	Drill Opr.	1.50	60.00	240.00	960.00 " " "
(1)	Hoist Opr.	1.25	50.00	200.00	800.00 " " "
(2)	Muckers @ 1.00	2.00	80.00	320.00	1280.00 " " "
(5)	Man Crew	$ 6.50	$ 260.00	$1040.00	$ 4160.00 3200 Work Hours.

Sect. 6-(c) OPERATING MATERIALS & SUPPLIES. (Purchase)

Unit.	Items.	No. Units.	Cost Unit.	Est.Cost for Period.	Total.
Gal.	Gasoline	560	$ 0.22	$ 123.20	$ 123.50
Qts.	Motor Oil	160	.20	32.00	32.00
Ea)	Lubricator	1	20.00	20.00	20.00
Ft.	1½" pipeing	146	0.16½	24.26	24.26
Lbs.	Dynamite	500	0.25	125.00	125.00
Ea.	6' Exploders	400	0.14	56.00	56.00
Ft.	Air Hose	50	0.60	30.00	30.00
Ft.	Drill Steels	24	(Tung)n 6.40	153.60	(2-6' runs) 153.60
Ea.	Blast. Battery	1	25.00	25.00	25.00
Ft.	Lead line	100	.10	10.00	10.00
Ea.	Mine Bucket	1	5.00	5.00	5.00
TOTALS				$ 604.06	$604.06

Sect.6-(d) OPERATING EQUIPMENT. (Monthly Rental Basis)

Unit.	Item.	No. Units.	Rental Monthly.	Rental Cost 16 Week Pd.
Ea.	Compressor.(105)	1	$ 125.00	$ 500.00
Ea.	Jackhammer Drill	1	50.00	200.00
Ea.	1 ton Hoist Eng.	1	35.00	140.00
Ea.	Water Pump. 2" D.	1	15.00	60.00
TOTALS		5	$ 225.00	$ 900.00

Sect.6-(e) REHABILITATION & REPAIRS.
NONE.

Sect.6-(f) NEW BUILDINGS-INSTALLATIONS. (Purchase)

Unit.	Item.	No Units.	Unit Cost.	Total Cost For Period.
Ea.	Tool House	1	$ 75.00	$ 75.00
Ea.	P. Magazine	1	25.00	25.00
Ea.	Ex. Magazine	1	15.00	15.00
TOTALS		3	$ 115.00	$ 115.00

Sect. 6 (g) MISCELLANEOUS EXPENSES.

Federal Payroll Taxes @ 2% of $ 4160.00	(16 Wk Period)	$ 83.20
Employers Liability Ins. (5 Man Crew)	(Estimated)	150.00
Employee's Ins. (Groupe) " " "	(Estimated)	200.00
TOTALS		$ 433.20

Sect. 6-(h) CONTINGENCIES.

10 Hours Bulldozer Hire @ $ 10.00 per hour. (pushing off old dump & scaling over shaft)	$ 100.00
TOTALS	$ 100.00

Re: FREEMAN, Paul
P.O. Box- 265
Bakersville, N.C.

SUPPLEMENT SHEET No. 4.
- Re:-
FORM MF-103, (Revised)

Section 7.(a) ARE YOU PREPARED TO FURNISH 25% OF PROJECT COSTS?---Yes.

Sect. 7.(b) EXPLINATION OF OPERATORS 25% PARTICIPATION IN PROJECT.

The Operator (Lessee) will furnish his 25% of total costs of proposed Exploratory Project by supplying all necessary small tools such as picks, shovels, hammers, steel bars, wheelbarrows, ects. and will meet entire expense of rigging up boom pole for use with the hoist. In addition to this the lessee will furnish 25% of the total cost of all hired labor & Supervision at the Project.

RECAPITULATION OF ESTIMATED COST OF PROJECT
---- BY UNITS----

Unit.	Daily Est. Cost.	Weekly Est. Cost.	Monthly Est. Cost	16 Week Period Est. Cost.
6(b) Labor & Supervision	$ 52.00	$ 260.00	$ 1040.00	$ 4160.00
6(c) Operating Mat. & Sup.	7.55	37.75	151.00	604.06
6(d) Operating Equipment.	11.25	56.25	225.00	900.00
6(f) Bldgs & Installations	1.43	7.15	28.60	115.00
6(g) Miscellaneous Exps.	5.41	27.05	108.80	433.20
6(h) Contingencies.	1.25	6.25	25.00	100.00
6 Units Totals----------	$ 78.89 ----	$ 394.45 ----	$ 1577.40 --	$ 6312.26

GENERAL SUMMARY OF PROJECT EXPENSES AND
THE GOVERMENT & OPERATORS PARTICIPATION

TOTAL ESTIMATED COSTS OF PROJECT,(16 WEEK PERIOD)--------$ 6312.26
LESSEE'S SHARE OF ABOVE @ 25% OF ESTIMATED COSTS.--------$1578.07
TOTAL AMOUNT OF LOAN SOLICITED FROM GOVERMENT.----------$ 4734.19

Respectfully Submitted,

Paul Freeman

Paul Freeman, (Lessee).
P.O. Box 265
Bakersville, North Carolina.

Application & Supplement Sheets
prepared by J.H. DeGroat, Sr.,
[redacted]
Rt. 1. Box 194
Bakersville, North Carolina.

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

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