DMEA 3899

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 7-14-55

2. CONTRACT DATE 9-26-55

3. TERMINATION AGREEMENT: DATE

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

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Docket Copy

S.J.B.

RECEIVED

OCT 26 1955

MF-200A
(Revised June 1954)

Docket No. DMEA 389

Commodity Mica

Contract No. Idm-E 880

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

It is agreed this SEP 26 1955 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Paul Hunkins and Claude Hunkins, Partners, whose mailing address is Route No 3, Bakersville, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

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

16—70619-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of ..... Mica ..... The work to be performed is described in Exhibit "A." The Operator on or before ..... Nov. 15, 1955 ..... shall commence the work, and on or before ..... March 1, 1956 ..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $ ..... 4,016.00 ..... The Government will contribute ..... 75 ..... percent of the fixed unit costs as work is performed, in a total sum not in excess of $ ..... 3,012.00 ..... : *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.

THE UNITED STATES OF AMERICA

Paul Hawkins and Claude Hawkins
(Operator)

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

Rubin
"Appd. Sol. Off."
Hopkins
F. H. Moore
Talbutt

By Paul Hawkins (Partner)

By Claude Hawkins (Partner)

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]

Selfridge

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

RECEIVED
OCT 26 1955

EXPLORATION PROJECT CONTRACT
PAUL HUSKINS AND GLADYS HUSKINS
DOCKET NO DMSA-3899
ANNEX I

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

Beginning on an ironstake at the center of the J. W. Boone Prospect which is located approximately 185 feet S. W. of a large hickory tree, and running 250 feet north; thence 250 feet west; thence 500 feet south; thence 500 feet east; thence 500 feet north; thence 250 feet west to a point of closing.

The J. W. Boone Prospect is on the west side of Burns Mountain, 2.8 airline miles S 2° W of Bakersville, Mitchell County, North Carolina.

RECEIVED
OCT 26 1955

EXPLORATION PROJECT CONTRACT
PAUL HUSKINS AND CLAUDE HUSKINS
DOCKET NO DMEA-3899

EXHIBIT "A"

Description of the Work

The approximate location of the proposed exploration is shown, in part, on the map entitled "Sketch of J. W. Boone Pros., Mitchell County, North Carolina, DMEA-3899 (mica)," attached hereto and made a part hereof. The work consists of the following:

1. Construct:

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

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

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

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

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

2. At a point approved by the Government, sink a 40-foot, 2-compartment shaft on the pegmatite. The shaft shall have cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. From the shaft, drive 60 feet of drifts on the pegmatite. The drifts shall have cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

FIXED UNIT COSTS

Construct:		
Toolhouse 1/	$ 76.00	
Powder Storage Magazine 1/	86.00	
Exploder Magazine 1/	14.00	
Sink 40 feet of shaft @ $45.00/ft	1800.00	
Drive 60 feet of drifts @$35.00/ft	2100.00	
Estimated total cost of project		$4,016.00
Government Participation @ 75%		$3,012.00

1/ The completed work constitutes the unit.

MF-203
Revised March 24, 1955

RECEIVED
SEP 12 1955

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

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the J. W. Boone Prospect which is located approximately 185' S.W. of a large Hickory treeand running North 250'; thence West 250'; thence South 500'; thence East 500'; thence 500' North; thence 250' West to a point of closing.

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

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

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

None

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

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

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

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

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

5. Added provision: _____

Dated this 1st day of September, 1955.

J W Boone [Seal] Rt. 3, Bakersville, N.C.

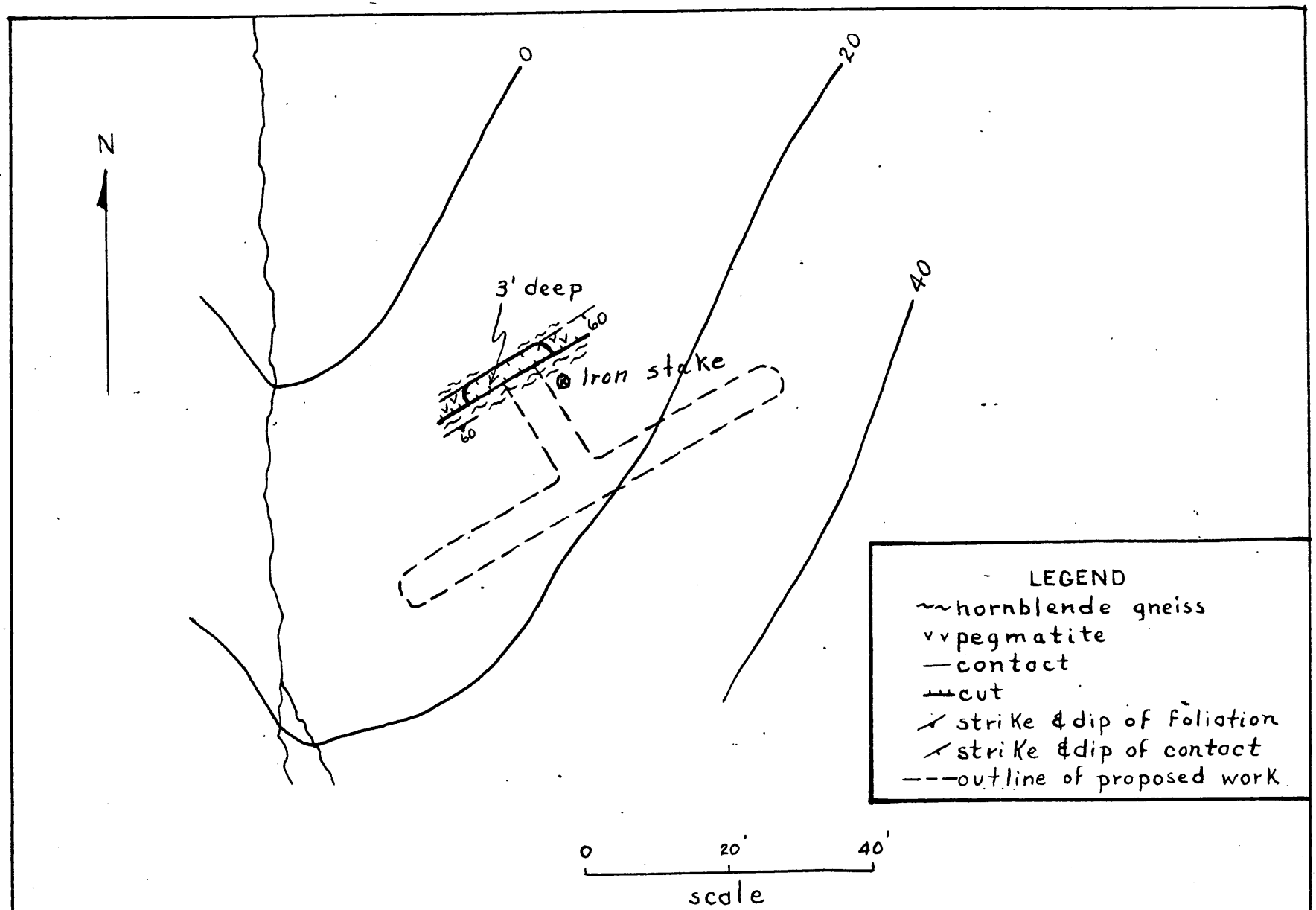
_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]



SKETCH OF
J.W. BOONE PROS.
MITCHELL CO., N.C.

DMEA-3899 (mica)

Docket Copy
Surname:
Hopkins
Houk
Chambers
Selfridge

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

OCT 25 1956

Messrs. Paul Huskins and Claude Huskins
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3899-Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina
Contract No. Idm-E880

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:gad 10/23/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. J. W. Boone, Route 3, Bakersville, N. C.

R.S.

Docket Copy
Surname:

Hopkins
Houk
Chambers
Selfridge

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

OCT 25 1956

Mr. J. W. Boone
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3899-Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina
Contract No. Idm-E880

Dear Mr. Boone:

Reference is made to the Consent to Lien which you executed on September 1, 1955, in connection with the DMEA contract for an exploration project on your property located in Mitchell County, North Carolina.

For your information, there is enclosed a copy of our letter of this date to the Messrs. Paul Huskins and Claude Huskins advising that the Government retains no claim or lien against the property described in the contract or on any future production therefrom.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

JHopkins:gad 10/23/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RCL

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

Project Summary Report

By: James Hopkins October 23, 1956

1. Docket No. DMEA-3899-Mica
   J. W. Boone Prospect
   Mitchell County, North Carolina
   Contract No. Idm-E880

   Application: Dated July 12, 1955

   Operators: Paul Huskins and Claude Huskins
   Bakersville, North Carolina

   Operators' Property Rights: Lessee of mineral rights of land owned by J. W. Boone
   Route 3
   Bakersville, North Carolina

2. Contract: Dated September 26, 1956

   a) Work authorized:

Construct: Toolhouse, Powder and Exploder Magazines	$116.00
Sink 40 feet shaft @ $45.00/ft.	1,800.00
Drive 60 feet drift @ $35.00/ft.	2,100.00
Estimated total cost of project	$4,016.00

   b) Amendments: None

   c) Work completed:

Construct: Toolhouse, Powder and Exploder Magazines	$116.00
Sink 40 feet shaft @ $45.00	1,800.00
Drive 60 feet drift @ $35.00	2,100.00
Total cost of project	$4,016.00

   Work began on October 10, 1955, and completed on December 30, 1955.
   Final Field Team Report, January 27, 1956.
   Final Operators' Report, January 3, 1956.

   There was no production of strategic mica. No royalties are due.

3. Audit: Report of Review dated January 17, 1956

Total cost as billed by the Operators	$4,016.00
Exceptions	None
Total Accepted Cost	$4,016.00
Government participation @ 75%	$3,012.00

4. Certification: No certification of discovery was issued.

5. Comments:

This project was established to explore a new prospect that offered good possibilities for the discovery of a deposit of strategic mica.

The conformable pegmatite is 2 to 3 feet thick and is exposed in a pit 3 feet deep and 15 feet long. No zoning is apparent. The enclosing country rock is layered hornblende gneiss. The mica was distributed uniformly throughout the exposed area and is of excellent quality and rather abundant.

Criteria developed during the project:

Pegmatite was found to be composed of coarse-grained plagioclase, gray quartz, small muscovite and sericite.

Only small sized scrap green muscovite was produced from the shaft and drifts. It was disseminated along with the quartz in the unzoned pegmatite. A few scattered blocks of badly stained muscovite were recovered.

No apparent reserves of strategic muscovite exist in this pegmatite.

The dike was explored sufficiently to locate mica, but only small scrap resulted. No further exploratory work by the Government is warranted. Because there are no reserves the field team recommends that no certification be issued. The Nonmetallic Minerals Division concurs in this recommendation.

The Commodity Divisions of the Bureau of Mines and the Geological Survey also concur in the recommendation.

James Hopkins
Nonmetallic Minerals Division

IN REPLY REFER TO:

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

RECEIVED
MAR - 7 1956

March 7, 1956

Re: DMEA 3899, Idm-E880
Paul and Clyde Huskins
J. W. Boone prospect
Mitchell County, N. C.
Mica

Memorandum

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

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

Subject: Review of Final Field Team report.

Expenditure of $4,016.00 was approved in a contract, E880, and that amount was spent.

Work done consists of:

Sinking	40 feet
Drifting	60 feet

The pegmatite explored consists primarily of coarse grained plagioclase, gray quartz, small muscovite, and sericite. The country rock is biotite-hornblende gneiss. The strike and dip are constant, N. 50° E. and 55-60° SE. respectively.

Contrary to the indications at surface, the pegmatite did not come up to expectations. A few scattered blocks of badly stained mica were recovered. No reserves are indicated or inferred and further Government participation is considered unwarranted.

Certification is not recommended. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

BUREAU OF MINES
WASHINGTON, D. C.

MAR 7 3 29 PM '56

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

RECEIVED
FEB 23 1956

February 21, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3899 (mica)

Applicant: P. & C. Huskins

Name and Location of Property: J. W. Boone Prospect, Mitchell Co., N. C.

Contract Number: Idm-E 880

Date of Field Team Report: 1/27/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/14/56

Field Team Recommendation: Recommend no certification.

Comments:

1. Limited quantities of badly stained mica were recovered during exploration.
2. Sufficient work has been done to indicate the pegmatite is not suitable for producing large quantities of strategic mica.
3. Expenditures -

Total approved	$4016.00
Total cost	4016.00
Gov't. share of the cost	3012.00
Value of production during operation	None

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
ROOM 1, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
FEB 10 1956

February 8, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3899, Idm-E880 (mica)
Paul Huskins and Claude Huskins, Bakersville, N. C.
J. W. Boone Prospect, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project.

Certification is not recommended.

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

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

RECEIVED
FEB 10 1956

Spruce Pine, North Carolina
January 3, 1956

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3899, Idm-E 880, (Mica)
J. W. Boone Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

Work began on the J. W. Boone Prospect on October 10, and was completed on December 30, 1955. We constructed toolhouse, powder and exploder magazines and lowered a 5'x7' two-compartment shaft a distance of 40'. From the bottom of the shaft we drove two drifts, North and South, each a distance of 30 feet. The shaft was in vein all the way, ranging from a small vein at the beginning to about two feet at the bottom.

The vein in the two drifts ranged from one to two feet in both directions, and showed some fine mica. No saleable mica was recovered, even though vein looked hopeful most of the way. Excellent progress was made in December and no difficulty was encountered in the entire project. Work was completed on December 30, and the operators do not deem it wise to continue with the project.

We wish to thank the field team for their assistance. If further details are necessary, please contact us.

Very truly yours,

Paul Huskins

Paul Huskins and Claude Huskins

B/b

RECEIVED
JAN 5 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 209 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 8, 1956

RECEIVED
FEB 10 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3899, Idm-E880 (mica)
Paul Huskins and Claude Huskins, Bakersville, N. C.
J. W. Boone Prospect, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project.

Certification is not recommended.

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

V.J. Lynch, Member
Bureau of Mines

RAL/
ZM.

cc:
Lynch
Peyton
Files

Spruce Pine, North Carolina
January 3, 1956

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3399. Idm-E 330, (Mica)
J. W. Boone Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

Work began on the J. W. Boone Prospect on October 10, and was completed on December 30, 1955. We constructed toolhouse, powder and exploder magazines and lowered a 5'x7' two-compartment shaft a distance of 40'. From the bottom of the shaft we drove two drifts, North and South, each a distance of 30 feet. The shaft was in vein all the way, ranging from a small vein at the beginning to about two feet at the bottom.

The vein in the two drifts ranged from one to two feet in both directions, and showed some fine mica. No saleable mica was recovered, even though vein looked hopeful most of the way. Excellent progress was made in December and no difficulty was encountered in the entire project. Work was completed on December 30, and the operators do not deem it wise to continue with the project.

We wish to thank the field team for their assistance. If further details are necessary, please contact us.

Very truly yours,

Paul Huskins

Paul Huskins and Claude Huskins

B/b

RECEIVED
JAN 5 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

RECEIVED
FEB 10 1956

Spruce Pine, North Carolina
January 3, 1956

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3399, Idn-E 380, (Mica)
J. W. Boone Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

Work began on the J. W. Boone Prospect on October 10, and was completed on December 30, 1955. We constructed toolhouse, powder and exploder magazines and lowered a 5'x7' two-compartment shaft a distance of 40'. From the bottom of the shaft we drove two drifts, North and South, each a distance of 30 feet. The shaft was in vein all the way, ranging from a small vein at the beginning to about two feet at the bottom.

The vein in the two drifts ranged from one to two feet in both directions, and showed some fine mica. No saleable mica was recovered, even though vein looked hopeful most of the way. Excellent progress was made in December and no difficulty was encountered in the entire project. Work was completed on December 30, and the operators do not deem it wise to continue with the project.

We wish to thank the field team for their assistance. If further details are necessary, please contact us.

Very truly yours,

Paul Huskins

Paul Huskins and Claude Huskins

B/b

RECEIVED
JAN 5 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

RECEIVED
FEB 10 1956

Spruce Pine, North Carolina
January 3, 1956

Mr. Robert A. Laurence, Executive Officer
D.M.E.A., Region V
Room 13, Post Office Building
Knoxville, Tennessee

Re: DMEA-3899, Idm-E 380, (Mica)
J. W. Boone Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

Work began on the J. W. Boone Prospect on October 10, and was completed on December 30, 1955. We constructed toolhouse, powder and exploder magazines and lowered a 5'x7' two-compartment shaft a distance of 40'. From the bottom of the shaft we drove two drifts, North and South, each a distance of 30 feet. The shaft was in vein all the way, ranging from a small vein at the beginning to about two feet at the bottom.

The vein in the two drifts ranged from one to two feet in both directions, and showed some fine mica. No saleable mica was recovered, even though vein looked hopeful most of the way. Excellent progress was made in December and no difficulty was encountered in the entire project. Work was completed on December 30, and the operators do not deem it wise to continue with the project.

We wish to thank the field team for their assistance. If further details are necessary, please contact us.

Very truly yours,

Paul Huskins

Paul Huskins and Claude Huskins

B/b

RECEIVED
JAN 5 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

3899

ACTION ON INTERVIEW

Date 2-16

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. Docket Control Mails and Files
5. _____ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Finished - N.G.

2.

3.

4.

and take appropriate action.

- - - - - -

Action taken by Division:

ROBERT L. ADAMS

_____

Initials

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

RECEIVED
FEB 10 1956

February 8, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Reports, DMEA-3899, Idm-R880 (mica)
Paul Huskins and Claude Huskins, Bakersville, N. C.
J. W. Boone Prospect, Mitchell County, N. C.

Enclosed are four copies each of the Operator's and Field Team final reports on the subject project.

Certification is not recommended.

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

V.J. Lynch, Member
Bureau of Mines

RAL/
LM.

cc:
Lynch
Peyton
Files

Reviewed by
DMEA OPERATING COMMITTEE
2-15-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
FEB 10 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
DMEA FIELD TEAM, REGION V

On

DMEA-3899, Idm-E880 (mica) J. W. BOONE PROSPECT
Mitchell County, N. C.

BY

Lawrence E. Shirley, Mining Engineer
Bureau of Mines

and

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

January 27, 1956

Reviewed by
DMEA OPERATING COMMITTEE
2-15-56
(date)

FINAL REPORT
On

DMEA-3899, Idn-E880 (mica) J. W. BOONE PROSPECT
Mitchell County, N. C.

RECEIVED
FEB 10 1956

Operator: Paul Huskins and Claude Huskins, Route 3, Bakersville, N. C.

Location: 2.8 airline miles S. 2° W. of Bakersville, Mitchell County, N. C.

Summary

Some blocks of badly stained mica were recovered. No further exploration at Government expense is warranted. Because of a lack of reserves, certification is not recommended.

Introduction

Work began on the J. W. Boone prospect on October 10, 1955, and was completed on December 30, 1955. Surface units include a toolhouse, and powder and exploder magazines. An inclined shaft was sunk on a -55° to-60° incline following the pegmatite to a depth of 40 ft. The shaft was floored at the 36-ft level. Two drifts extend for a total distance of 60 ft along the strike of the pegmatite from the 36-ft level. One drift extends 32.5 ft N. 50° E., and the other extends 27.5 ft S. 50° W. from the shaft.

Geology

Pegmatite:

A pegmatite consisting primarily of coarse-grained plagioclase, gray quartz, small muscovite, and sericite, has been intruded conformably into a country rock of biotite-hornblende gneiss. Its thickness is variable, but it is generally about 2 ft in thickness. The strike and dip of the pegmatite is a consistent N. 50° E. and 55° to 60° SE.

At the 14-ft point in the northeast drift the pegmatite divided into two pinching and swelling parallel dikes about one foot apart. They narrowed from 2 ft to about 4 in. at the thinnest segment (map section B -B'). There was small scrap mica in the top of the face at that point. The southwest heading (27.5 ft) contains a small quartz vein 3 ft long and 6 in. thick, parallel to the unzoned pegmatite, on the hanging wall side of the pegmatite-gneiss contact (C - C'). Here, the pegmatite dips 63° SE and thins from 2 ft at the top to 9 in. in thickness at the bottom of the drift. (B - B').

Muscovite:

Only small sized, scrap green muscovite was produced from the shaft and drifts. It was disseminated along with quartz in the unzoned pegmatite. A few scattered blocks of badly stained muscovite were recovered.

Reserves:

No apparent reserves of strategic muscovite exist in this pegmatite. The dike was explored sufficiently to locate mica, but only small scrap resulted. No further exploratory work by the Government seems warranted. The operators do not plan to continue work.

Conclusions and Recommendations

The foreman conducted a good operation, and was very responsive to the directions of the field examiners. He is to be commended for his efficient workmanlike manner.

No further exploration is warranted on this pegmatite. It is recommended that the J. W. Boone prospect not be certified as a discovery because of the lack of reserves of strategic muscovite.

No equipment was purchased by the Government.

Expenditures

(a)	Total approved	$4,016.00
(b)	Total cost of project	4,016.00
(c)	Government's share expended	3,012.00
(d)	Government's share unexpended	None
(e)	Value of production	None
(f)	Royalty paid	None

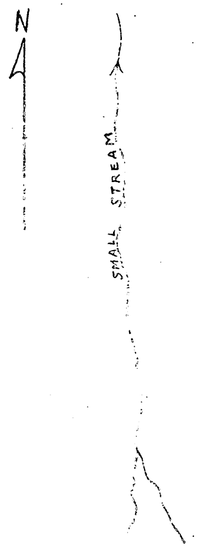
Lawrence E. Shirley, Mining Engineer
Bureau of Mines

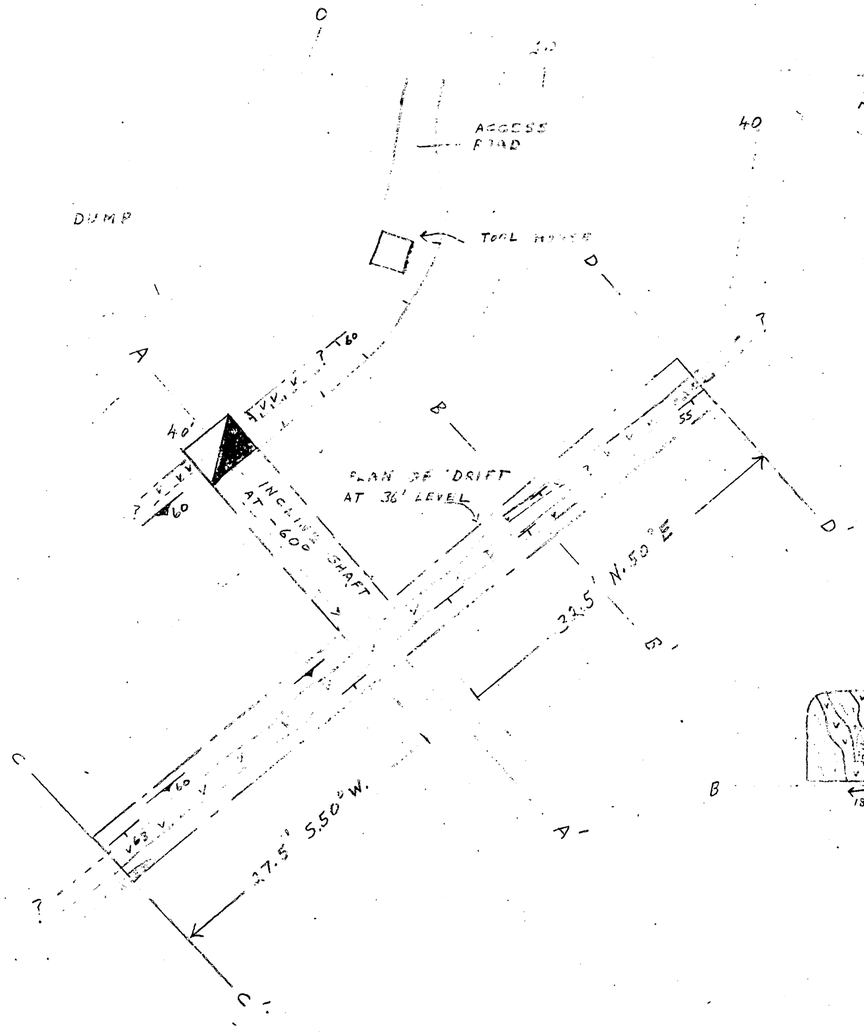
S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

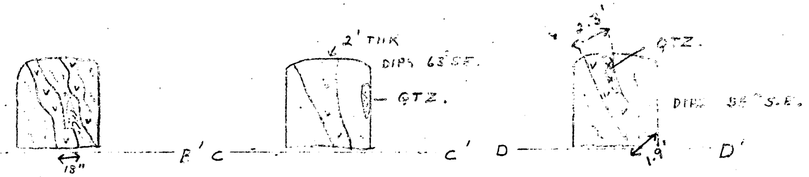
January 27, 1956.

g

MAPPED : JAN. 5, 1956 BY L.E. SHIRLEY, U.S.B.M.,
S.C. BERGMAN, USGS, + A.R. TAYLOR, USGS.







SECTIONS OF DRIFT

SKETCH OF THE

J. W. BOONE PROJECT

MITCHELL CO. N.C.

DMEA - 3877-MICA
JAN., 1956

- BIOTITE - HORNBLENDE GNEISS
- PEGMATITE
- QUARTZ
- CONTACT, DASHED WHERE INFERRED
- CUT
- STRIKE + DIP OF FOLIATION
- STRIKE + DIP OF PEGMATITE
- OUTLINE OF DRIFT

1-28-56 TAYLOR

RECEIVED
JAN 13 1956

INTERIM REPORT

DMEA-3899, Idm-E880 (mica) J. W. BOONE PROSPECT

OPERATOR: Paul Huskins and Claude Huskins, Route #3, Bakersville, N. C.

LOCATION: 2.8 airline miles S2°W of Bakersville, Mitchell Co., N. C.

This contract has been completed without making a sizable discovery of strategic mica. The Examiners are of the opinion that no further exploration at government expense is justified, and certification of the contract will not be recommended.

Work performed under contract consisted of sinking an incline shaft following the dip of the pegmatite to a total depth of 40 feet. The shaft was floored at a depth of 36 feet, and drift turnoff was made to the northeast and southwest. The drifts were driven simultaneously; 32.5 feet were driven N50°E with the work following a body of variable thickness, and 27.5 feet were driven S50°W in a similar body. The present face in the NE drift shows a pegmatite 2.3 feet thick which narrows toward the floor to 1.9 feet and is composed of quartz, feldspar, and small scrap-size muscovite mica. The southwest drift face exhibits a 2-foot pegmatite narrowing to 9 inches toward the floor. The body dips 55 to 60° SE in both headings. A few scattered blocks of badly stained muscovite mica was recovered from work performed. Certification of this contract is not recommended because no apparent reserves of strategic mica exist on the basis of exploration completed.

This project was conducted safely and efficiently, and the foreman is to be commended for his fine performance.

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 5, 1956

INTERIM REPORT

RECEIVED
DEC 27 1955

DMEA-3899, Idm-E880 (mica) J. W. BOONE PROSPECT

OPERATOR: Paul Huskins and Claude Huskins, Route #3, Bakersville, N. C.

LOCATION: 2.8 airline miles S2°W of Bakersville, Mitchell County, N. C.

Inclined shaft sinking has been completed to a total depth of 36 feet. Turnoff has been made from the shaft bottom, and drifts are being driven simultaneously to the northeast and southwest following a pegmatite striking N50°E and dipping 56°SE. In the northeast heading the body is up to 2 feet thick with a parallel pegmatite stringer, contains quartz, and small sizes of muscovite mica, most of which contains black stain. In the southwest heading the body is 2.5 to 3.0 feet thick and has about the same composition as that to the northeast. A total of 24.5 feet of drift has been completed to date.

The operator was advised to install a separated partition with ladders and landing in the shaft in the near future. Progress on this contract is satisfactory.

L. E. Shirley

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

SCB

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

December 14, 1955

RECEIVED
DEC 15 1955

INTERIM REPORT

DMEA-3899, Idm-E880 (mica) J. W. BOONE PROSPECT

OPERATOR: Paul Huskins and Claude Huskins, Route #3, Bakersville, N. C.

LOCATION: 2.8 airline miles S2°W of Bakersville, Mitchell Co., N. C.

Inclined shaft sinking is nearing completion on this contract and is now at a depth of 36 feet with some loose muck in the bottom. The pegmatite at this depth is about 3 feet thick and is conformable with the biotite gneiss wall rock which strikes N50°E and dips 57°SE. The body is composed of feldspar, considerable small quartz, and small muscovite mica. The operator was advised to continue the shaft to the total depth, including a sump, and turn-off a level to the northeast. Progress on this contract is satisfactory.

L. E. Shirley

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

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

November 30, 1955

INTERIM REPORT

DMEA-3899, Idm-E880 (mica) J. W. BOONE PROSPECT

OPERATOR: Paul Huskins and Claude Huskins, Route #3, Bakersville, N. C.

LOCATION: 2.8 airline miles S2°W of Bakersville, Mitchell County, N. C.

No progress has been made on the incline shaft depth previously reported, and total depth remains at 19 feet. The operator reports that compressor breakdown has prevented any drilling activity during the past two weeks. Timbering of the collar or portal has been in progress, and work completed is in excellent shape. As soon as the compressor is repaired, shaft sinking will be resumed.

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

November 16, 1955

RECEIVED
NOV 25 1955

INTERIM REPORT

DMEA-3899, Idm-E880 (mica) J. W. BOONE PROSPECT

OPERATOR: Paul Huskins and Claude Huskins, Route #3, Bakersville, N. C.

LOCATION: 2.8 airline miles S2°W of Bakersville, Mitchell Co., N. C.

Work began on this contract October 24, 1955. Inclined shaft sinking is underway and is now at 19 feet. The work to date has followed the inclination of the pegmatite which averages 16 inches in thickness and is composed of feldspar, quartz, and small mica. The operator was advised to continue sinking until another visit can be made.

Equipment on the job consists of a 125 c.f.m. air compressor with drilling accessories, a gasoline powered hoist, conventional hoisting rig and necessary hand tools. No timbering has been accomplished to date, but necessary work around the collar will be completed within the current week. Progress on this contract has been good.

L. E. Shirley

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

K. H. Teague S. C. Bergman A. R. Taylor

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

November 2, 1955

RECEIVED
NOV 14 1955

Docket Copy
Surname:

Selfridge.

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

600

SEP 29 1955

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

Subject: Docket No. DMEA-3899 - Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Transmitted herewith are copies of memoranda from Mr. W. E. Nelson, dated August 26, and Mr. W. F. Dietrich, dated August 29, 1955, both members of the Mica Commodity Committee. We inadvertantly omitted these memoranda when transmitting the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

N. E. Nelson (JHB)
Member, Geological Survey

Enclosures 4

FLKnouse:gad 9/27/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk
Mr. Knouse

Docket Copy
Surname:

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

SEP 26 1955

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

Subject: Docket No. DMEA-3899 - Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

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

The legal description of the property refers to an iron stake as the point of beginning of the metes and bounds. Please show the location of this stake on each copy of the map attached to the contract before it is presented to the Operators for signature.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from Mr. W. F. Dietrich of the Bureau of Mines, dated July 18, 1955, and from Mr. N. E. Nelson of the Geological Survey, dated July 19, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

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

N. E. Nelson
Member, Geological Survey

Enclosures 10

JHopkins:gad 9/22/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

RECEIVED

SEP 12 1955

Spruce Pine, N. C.
September 8, 1955

Mr. F. L. Knouse, Acting Chief
Nonmetallic Minerals Division
U. S. Dept. of the Interior, DMEA
Washington 25, D. C.

Re: DMEA-3899 - Mica
J. W. Boone Prospect

Dear Mr. Knouse:

As requested by you some time ago, we have secured lease with additional acreage for the above prospect and are herewith sending four copies of lease and six copies of revised Consent to Lien.

We believe this will complete your requirements and hope that examination may be made at an early date. If further information is necessary, please contact us.

Sincerely,

Paul Huskins

Paul Huskins

H/b

MINING LEASE

RECEIVED
SEP 12 1955

State of North Carolina Mitchell County:

This indenture made this 1st day of September, 1955, 1953,

between J. W. Boone

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Paul Huskins and Claude Huskins

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

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

Beginning on an iron stake at the center of the J. W. Boone Prospect which is located approximately 185' S.W. of a large Hickory Tree and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8

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

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

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

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

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

Witness:

Kenneth R McKinney
Notary Public
My Comm Exp pires 8/17/57

J W Boone (Seal)

(Seal)

(Seal)

MINING LEASE

RECEIVED
SEP 12 1955

State of North Carolina Mitchell County:

This indenture made this 1st day of September, 1955, 1953,

between J. W. Boone

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Paul Huskins and Claude Huskins

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

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

Beginning on an iron stake at the center of the J. W. Boone Prospect which is located approximately 185' S.W. of a large Hickory Tree and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8

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

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

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

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

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

Witness: J W Boone (Seal)

(Seal) (Signed) Kenneth R. McKinney, Notary Public _____ (Seal)

_____ (Seal)

MINING LEASE

RECEIVED
SEP 12 1955

State of North Carolina Mitchell County:

This indenture made this 1st day of September, 1955, 1953,

between J. V. Boone

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Paul Huskins and Claude Huskins

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

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

Beginning on an iron stake at the center of the J. V. Boone Prospect which is located approximately 105' S.W. of a large Hickory Tree and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8

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

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

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

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

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

Witness: _____ (Seal)

(Seal) (Signed) Kenneth R. McKinney, Notary Public _____ (Seal)

_____ (Seal)

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 1st day of September, 1953, between J. C. Boone of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Earl Hutchins and Charlie Hutchins of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the part 1 of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Beginning on an iron stake at the center of the J. C. Boone Tract which is located approximately 30' S.E. of a large Maple tree and running 90' North; thence 90' West; thence 90' South; thence 90' East; thence 90' North; thence 90' East to a point of beginning.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8

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

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

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

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

Witness: _____ (Seal)

(Seal) (Signed) Kenneth D. McElroy, Notary Public

_____ (Seal)

_____ (Seal)

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

RECEIVED
AUG 31 1955

August 29, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3899 (mica)

Applicant: Paul and Claude Huskins

Name and Location of Property: J.E. Boone Prospect, Mitchell Co., N. C.

Date of Field Team Report: 8/10/55

Date Rec'd by Br. of Ceramic & Fertilizer Materials: 8/25/55

Field Team Recommendation: Recommend an exploration project at a cost of $4,013.00.

Comments:

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

2. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation: I concur with the field team's recommendation for a unit cost exploration program.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

August 26, 1955

Re: DMEA 3899
Paul and Claude Huskins
J. E. Boone Prospect
Mitchell Co., N. C.
$4,013.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

For a narrow pegmatite this new discovery appears to have more than an average chance since at the outcrop it contains rather abundant mica, uniformly distributed and of good quality.

Like all small pegmatites the tonnage that may be expected to be developed by the 40 feet of shaft and 60 feet of drifting is small, 350-400 tons, and the ore needs to be good.

I concur with the acceptance recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

Docket File
Surname:
F L Knouse
Mitchell Co

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

AUG 2 5 1955

Messrs. Paul and Claude Huskins
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3899 - Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina

Gentlemen:

Reference is made to our letter, dated July 20, 1955, requesting additional information to process your application. To date, no reply to that letter has been received.

Upon receipt of the requested information, we will continue processing your application.

Sincerely yours,

SIGNED
Frederick L. Knouse, Acting Chief
Nonmetallic Minerals Division

JHopkins:pk 8/24/55
Copy to: Admr. R. Tile
Docket
~~[illegible]~~
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 27 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 19, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Examination Report - DMEA-3899, Paul & Claude Huskins, J. E. Boone Prospect, Mitchell County, N. C. (mica)

Enclosed are four copies of the subject examination report, and nine extra copies of the map.

The Field Team concurs with the recommendations set forth in the report, and recommend a contract on a unit-cost basis.

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

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

RECEIVED
AUG 2 1955

Reviewed by
DMEA OPERATING COMMITTEE
8-26-55
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY DMEA FIELD TEAM, REGION V

On

DMEA-3899, J. W. BOONE PROSPECT (mica)
Mitchell County, North Carolina

RECEIVED
AUG 2 3 1955

BY

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
8-26-55
(date)

Examined-August 10, 1955

FIELD EXAMINATION REPORT

DMEA-3899 (mica)

Applicant: Paul and Claude Huskins, Route # 3, Bakersville, N. C.

This is a new prospect which offers good possibilities for the discovery of a deposit of strategic mica. The pegmatite is rather rich in strategic grade mica. It is recommended that exploration assistance be granted.

The Prospect was examined August 10, 1955. Mr. J. W. Boone, the land owner, accompanied the examiners on the inspection which required one hour.

The J. W. Boone Prospect is on the west side of Burns Mountain, 2.8 airline miles S. 2° W. of Bakersville, Mitchell County, North Carolina. It is about 700 feet southwest of the John Conely Mine (DMEA-3740). Access by jeep is possible to within 200 feet of the deposit.

Both applicants have had considerable mining experience. The Field Examiners have not seen a copy of the new lease requested of the Applicants by Washington. Only a limited area will be needed to do the proposed work.

Only a small amount of work has been done at this place. The pegmatite has been stripped along the strike for about 25 feet. One pit about three feet deep by 15 feet long has been made in the pegmatite.

A conformable pegmatite about 2-3 feet thick is exposed in the pit. It strikes N. 55-60° E and dips about 60° to the southeast. The body consists of coarse-grained plagioclase, gray quartz, muscovite and sericite, in order of abundance. No zoning is apparent. The enclosing country rock is layered hornblende gneiss.

The mica is distributed uniformly throughout the exposed pegmatite and is of excellent quality and rather abundant. It is hard, flat, clear, free-splitting and light green in color.

It is recommended that exploration consist of constructing a toolhouse and two magazines, sinking a 40-foot incline on the pegmatite, and driving 60 feet of drifts from the incline.

Estimated Costs:

Toolhouse	76.00	$75.00
Powder Magazine	26.00	25.00
Exploder "	14	13.00
		~~$113.00~~

Why not purchase to 1/12 ?

Reviewed by
DMEA OPERATING COMMITTEE
8-26-55
(date)

Sink 40-foot incline 5' x 7' in cross section on the pegmatite (30 shifts). 1.3' shaft

			ft	sh.
Labor:				
1 - Miner @ $1.50/hr.	$360.00			
1 - Hoistman @ $1.25/hr.	300.00			
1 - Laborer @ $1.00/hr.	240.00	9.00	22.50	30.00
Equipment (rental)				
Compressor and drill @ $200/Mo.	330.00			
Hoist @ $50/Mo.	75.00	405	10.12	13.50
Supplies:				
Explosives	125.00	3.12		
Timber - 1000 b. f. @ $60/M	60.00	1.50		
Gasoline and oil	80.00	2.00		
Drill steel	75.00	1.87		
Small tools	75.00	1.87		
Miscellaneous	25.00			
Insurance	37.00	495	12.37	16.10
Social Security	18.00	$1,800.00		

Drive 60 feet of drifts 5' x 7' in cross-section from the incline (30 shifts.

Labor:		
1 - Miner @ $1.50/hr.	360.00	
1 - Hoistman @ $1.25/hr.	300.00	
2 - Laborers @ $1.00/hr.	480.00	
Equipment (rental)		
Compressor, pump, drill and jackleg @ $250/Mo.	375.00	
Hoist @ $50/Mo.	75.00	
Supplies:		
Drill steel	80.00	
Gasoline and oil	100.00	
Explosives	150.00	
Small tools and pipe	75.00	
Miscellaneous	30.00	
Insurance	52.00	
Social Security	23.00	$2,100.00

Estimated Total Cost..... ~~$4,013.00~~

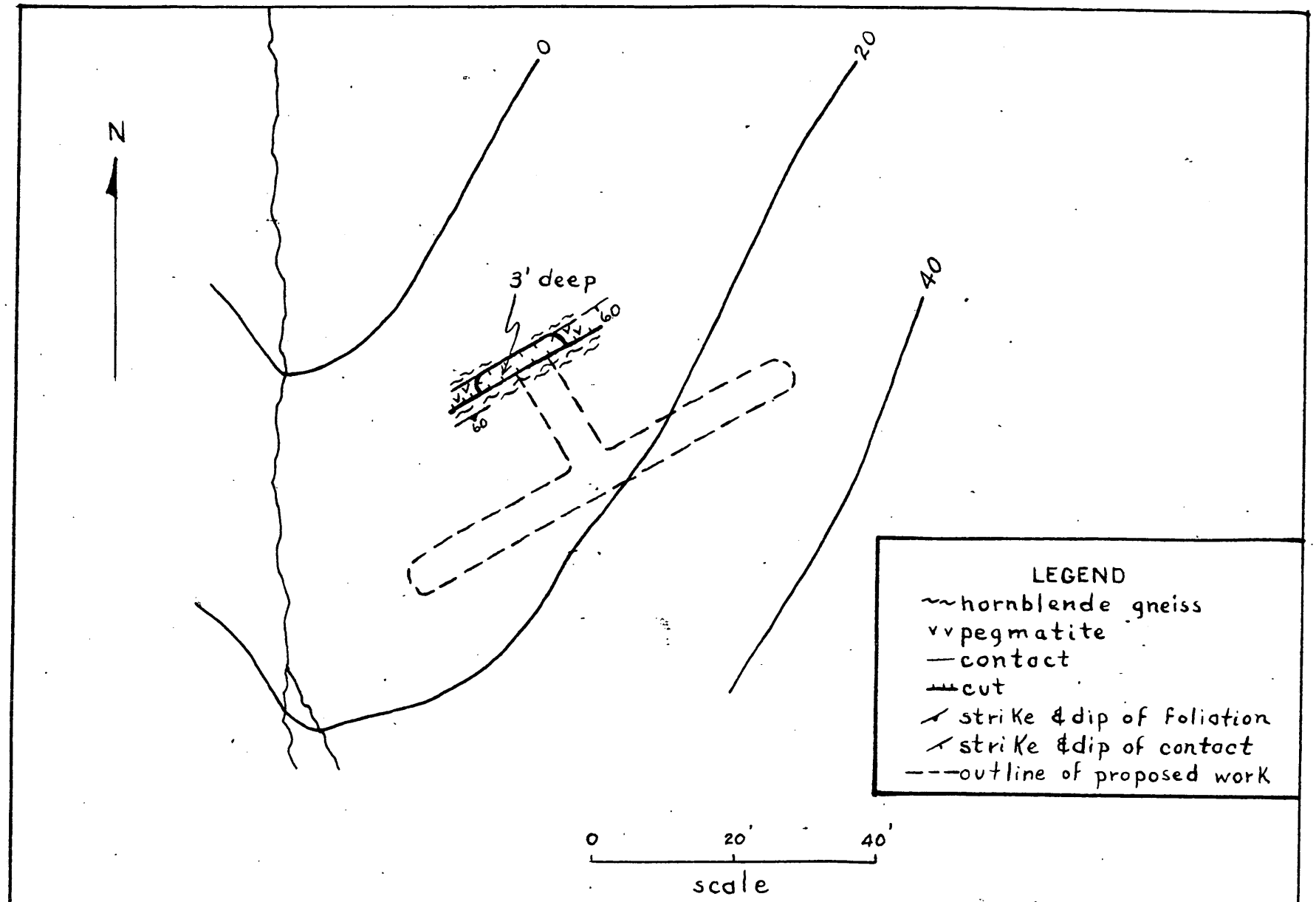
4016.00

3012.00

August 19, 1955

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

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



SKETCH OF
J.W. BOONE PROS.
MITCHELL CO., N.C.

DMEA-3899 (mica)

Docket Copy
Surname:

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

Messrs. Paul and Claude Huskins
Route 3
Bakersville, North Carolina

JUL 20 1955

Re: Docket No. DMEA-3899 - Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina

Gentlemen:

Reference is made to your application for exploration assistance, dated July 13, 1955, on the J. W. Boone Prospect.

It is noted that the property under lease to you comprises a plot of ground containing approximately 3.44 acres. This acreage appears to be inadequate for an exploration project on the subject property. The smallest area acceptable to this Agency would be the area benefited by the exploration work. It is suggested that you obtain a lease on a minimum of five acres.

If you are able to acquire this additional acreage, you should have your lease amended. You should then submit the new lease with six executed copies of the enclosed Consent to Lien forms. A sketch or map of the property showing the location of the proposed work with reference to the boundary of the property would also be appreciated. The location of the proposed work should not be less than 150 feet from a boundary line.

Your present lease and Consent to Lien forms are returned herewith.

Sincerely yours,

F. L. Knouse, Acting Chief
Nonmetallic Minerals Division

Enclosures 13

JHopkins:pk 7/19/55
Rewritten
FJohnson:gad 7/20/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.F.

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

Messrs. Paul and Claude Huskins
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3899 - Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina

Gentlemen:

Reference is made to your application for exploration assistance, dated July 13, 1955, on the J. W. Boone Prospect.

It is noted that the property under lease to you comprises a plot of ground containing approximately 3.44 acres. This acreage ~~is~~ inadequate for an exploration project. The smallest area acceptable to DMEA would be the area benefited by the exploration work. ~~the~~ minimum ~~being~~ of five acres.

If you are able to acquire this additional acreage, you should have your lease amended. You should then submit the new lease with six executed copies of the enclosed Consent to Lien forms. A sketch or map of the property showing the location of the proposed work with reference to the boundary of the property would also be appreciated. The location of the proposed work should not be less than 150 feet from a boundary line.

Your present lease and Consent to Lien forms are returned herewith.

Sincerely yours,

F. L. Knouse

F. L. Knouse, Acting Chief
Nonmetallic Minerals Division

Enclosures 7

Docket File
Surname:

Hopkins
F L Knouse

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

Messrs. Paul and Claude Huskins
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-3899 - Mica
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell County, North Carolina

Gentlemen:

Reference is made to your application for exploration assistance, dated July 13, 1955, on the J. W. Boone Prospect.

It is noted that the property under lease to you comprises a plot of ground containing approximately 3.44 acres. This acreage is inadequate for an exploration project. The smallest area acceptable to DMEA would be the area benefited by the exploration work, the minimum being five acres.

If you are able to acquire this additional acreage, you should have your lease amended. You should then submit the new lease with six executed copies of the enclosed Consent to Lien forms. A sketch or map of the property showing the location of the proposed work with reference to the boundary of the property would also be appreciated. The location of the proposed work should not be less than 150 feet from a boundary line.

Your present lease and Consent to Lien forms are returned herewith.

Sincerely yours,

F. L. Knouse, Acting Chief
Nonmetallic Minerals Division

Enclosures 7

JHopkins:pk 7/19/55
Copyto: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

IN REPLY REFER TO:

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

RECEIVED

July 19, 1955

Re: DMEA 3899
Paul and Claude Huskins
J. W. Boone Prospect
Mitchell Co., N. C.
$6,800 - Mica

Memorandum

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

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

Subject: Review of Application

This application cannot be judged due to lack of information. Apparently no mica has been produced and perhaps none is to be seen.

Under such conditions a staged program, involving stripping and testing by much less work than the proposed 80-foot shaft and 80 feet of drifting, would be more in keeping.

A report by the Field Team is needed and is here recommended.

N. E. Nelson

N. E. Nelson

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

RECEIVED
JUL 1 9 1955

July 18, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3899 (mica)

Applicant: P. Huskins and C. Huskins

Name and Location of Property: J. W. Boone Prospect
Mitchell County, North Carolina

Date Application Rec'd by Br. of Ceramic and Fert. Mtls.: July 15, 1955

Comments:

1. From the limited information presented, it is difficult to determine if an exploration program is justified or if the proposed plan would be the best method of exploring this property.

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

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

July 14, 1955
Subject: DMEA-3899
Re: Exploration Assistance
J.W. Boone Prospect

Paul and Claude Huskins
Bakersville, Route 3
North Carolina

Gentlemen:

The receipt of your application dated July 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-3899 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 14 1955

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 3899
Metal or Mineral Mica
Date Received 7-14-55
Estimated Cost $6,800
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Paul Huskins and Claude Huskins
Bakersville, Route 3
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.

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

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

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

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

(*b*) State any mine name by which the property is known. J. W. Boone Prospect, near Bandana, N.C.

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

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

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

(*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 sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 7-13-55, 195__

Paul Huskins and Claude Huskins
(Applicant)

By Paul Huskins

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

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

RECEIVED
JUL 14 1955

MF-103 (continuation sheet)

4. (a) No previous operations at this prospect.

(b) No past production.

(c) From appearance of materials showing we believe that mica of strategic quality may be found.

(d) Project is accessible to roads, shipping, etc.

(e) Manpower, equipment and supplies available. Power is within 600'.

5. (b) We propose to sink a 5x7 shaft 80'; then drift with vein 80'.

6. Estimate of costs:

80' Shaft @ $50.00 per ft.	$ 4,000.00
80' Drift @ $35.00 per ft.	2,800.00
Total estimated cost	$ 6,800.00

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JUL 14 1955

Claude Huskins

Claude Huskins, now 42 years old, was born and has lived all his life in Mitchell County, N. C. He attended Mitchell County schools and has mined for himself and others most of his life. He was employed for twelve years by the United Feldspar Co. He is familiar with all types of mining in this area, and is considered a reliable citizen.

For references, Mr. Huskins lists the following:

Mr. C. R. Phillips
Bakersville, Rt. 3, N. C.

Mr. Forney Jarrett
Bakersville, Rt. 3, N. C.

Mr. W. S. Greene
Bakersville, N. C.

RECEIVED
JUL 14 1955

Paul Huskins

Paul Huskins was born and brought up near Bakersville, N. C. at Wing. He attended school at Bakersville. He is now 33 Years old.

Mr. Haskins served four years in the U. S. Navy after finishing school, and was employed for 8 years by Standard Oil Company. He has been employed by various mining companies in this area for the last three years, and has worked at the Buckeye Mine and the Ken Sparks Prospect.

Mr. Huskins lists the following references:

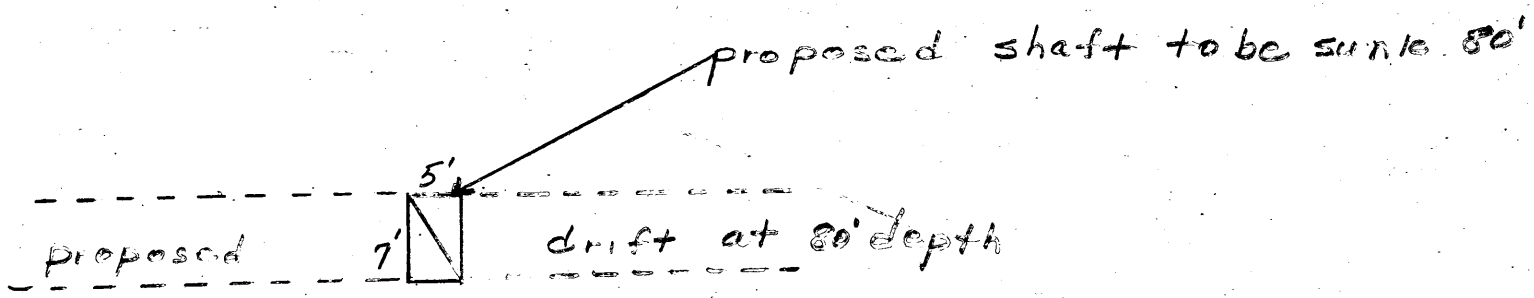
Mr. Paul Fortner
Bakersville, N. C.

Mr. F. O. Phillips
Spruce Pine, N. C.

Mr. Walter Greene
Bakersville, N. C.

J.W. Boone Prospect

Mitchell County
N.C.



Attach: CL
nwf

F.A.K.

MF-200A
(Revised June 1954)

RECEIVED

SEP 14 1955

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Docket No. DMEA 3899

Commodity Mica

Contract No. Idm-E

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

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 Huskins and Claude Huskins, partners, whose mailing address is Route No. 3, Bakersville, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

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

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

[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 Opal. The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before March 1, 1986 (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 $40,160.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $30,120.00: *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.

THE UNITED STATES OF AMERICA

.....
(Operator)

By .....

By ..... (Partner)

By ..... (Partner)

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

All work shall be timbered as necessary.

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

~~Agreed~~ Typical Unit Costs

Construct:

Toolhouse[1]	76.00
Powder Storage Magazine[1]	26.00
Exploder Magazine[1]	14.00
Sink 40 feet of Shaft @ $45.00/ft	1800.00
Drive 60 feet of Drifts @ $35.00/ft	2100.00
Estimated Total Cost of Project	$4,016.00
Government Participation @ 75%	$3,012.00

[1] The completed work constitutes the unit.

Exploration Project Contract

Paul Huskins & Claude Huskins

Docket No DMEA- 3899

Exhibit "A"

Description of the Work

The approximate location of the proposed exploration is shown, in part, on the map entitled "Sketch of J. M. Boone Pros. Mitchell County, North Carolina, DMEA-3899 (mica)," attached hereto and made a part hereof. The work shall consists of the following:

1. Construct:

   (a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
   (b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
   (c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

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

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

2. At a point approved by the Government, sink a 40-foot, 2 compartment, shaft on the pegmatite. The shaft shall have cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. From the shaft, drive 60 feet of drifts on the pegmatite. The drifts shall have cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

Annex 7

~~Property Description~~

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

Beginning on an ironstake at the center of the J.W. Boone Prospect which is located approximately 185 feet S.W. of a large Hickory Tree, and running 250 feet North; thence 250 feet West; thence 500 feet South; thence 500 feet East; thence 500 feet North; thence 250 feet West to a point of closing

The J.W. Boone Prospect is on the west side of Burns Mountain, 2.8 airline miles S 2° W of Bakersville, Mitchell County, North Carolina