Extra copy

MF-200A
(Revised June 1954)

Docket No. DMEA [illegible]

Commodity [illegible]

Contract No. Idm-E 872

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

It is agreed this SEP 1 5 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] [illegible],
whose mailing address is [illegible],
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 [illegible], County of [illegible], and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] [illegible] of [5] [illegible] in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] ....., [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: [illegible]

(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: [illegible]

[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 ..... The work to be performed is described in Exhibit "A." The Operator on or before ..... shall commence the work, and on or before ..... (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work, [redacted]

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 $..... The Government will contribute [redacted] percent of the fixed unit costs as work is performed, in a total sum not in excess of $.....: *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

HOWARD SMITH
(Operator)

By C. O. Mittendorf
Administrator, Defense Minerals Exploration Administration

BY

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
EDWARD SMITH
DOCKET NO. DMRA-3930

ANNEX I

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

In Toe River Township, adjoining the lands of Sam Ingram and others, and BEGINNING on a locust standing in Samuel Ingram's line and his corner and runs north 46 poles to a locust, an old corner; thence north 41 degrees east 47 poles to a stake, an old corner; thence south 12 degrees west 50 poles to a hickory; thence south 40 degrees west 101 poles to a maple; thence south 38 poles to a stake; thence south 65 degrees west 16 poles to a black gum, Howell's corner; thence with Howell's line north 35 degrees west 40 poles to a small chestnut oak; thence west 43 poles to a stake in Samuel Ingram's line; thence north 9½ degrees west 86 poles to a chestnut; thence west with Samuel Ingram's line to the BEGINNING, containing 40 acres, more or less.

EXPLORATION PROJECT CONTRACT
HOWARD SMITH
DOCKET NO. DMEA - 3930

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown in part on the map entitled, "Sketch of Howard Smith Prospect, Avery Co., N.C., DMEA-3930 (mica)" attached hereto and made a part hereof.

The work is divided into three stages, as indicated below. The Operator shall perform Stage I, and shall perform as much of Stages II and III as the Government approves in writing.

All workings shall be timbered as necessary; and the location, inclination, direction, and extent of all work are subject to the approval of the Government.

Stage I

Prospect No. 1.

With a D-4 or equivalent bulldozer, extend the existing trench to the southeast. The new cut shall be about 80 feet long by 15 feet wide by 6 feet deep.

Prospect No. 2.

With a D-4 or equivalent bulldozer, clean out and extend the existing trench to the southwest. The new cut shall be about 100 feet long by 15 feet wide by 6 feet deep.

Stage II

1. With a D-4 or equivalent bulldozer, construct 300 linear feet of access road.

2. 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 explosives storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unflooored; 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.

Stage III

Prospect No. 1.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Prospect No. 2.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Stage I

Prospect No. 1.

Bulldozing 5 hours @ $10.00 per hour	$50.00

Prospect No. 2.

Bulldozing 7 hours @ $10.00 per hour	70.00
Estimated total cost Stage I	$120.00

Stage II

Bulldozing 3 hours @ $10.00 per hour	$30.00
Construct:	
Toolhouse 1/	75.00
Powder magazine 1/	25.00
Exploder magazine 1/	14.00
Estimated total cost Stage II	$144.00

Stage III

Prospect No. 1.

Shaft sinking 40 feet @ $45.00 per foot	$1800.00
Drifting 60 feet @ $35.00 per foot	2100.00

Prospect No. 2.

Shaft sinking 40 feet @ $45.00 per foot	1800.00
Drifting 60 feet @ $35.00 per foot	2100.00
Estimated total cost Stage III	$7800.00
Estimated total cost of project	8064.00
Government participation @ 75%	6048.00

1/ The completed work constitutes the unit

MF-203
Revised March 24, 1955

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

RECEIVED
AUG - 1 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows:1/

_____

_____

_____

_____

_____,

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/

_____

_____

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 27th day of July, 1955.

Howard Smith [Seal]

Eileen L. Smith [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]

Extra copy for Field Team
(only one copy made - if needed another copy will be made by Legal)

EXPLORATION PROJECT CONTRACT
MENARD SMITH
DOCKET NO. [illegible]-3530

ANNEX I

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EXPLORATION PROJECT CONTRACT
HOWARD SMITH
DOCKET NO. DMEA - 3930

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(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.

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(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Prospect No. 2.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

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Estimated total cost Stage III	$7800.00
Estimated total cost of project	8064.00
Government participation @ 75%	6048.00

1/ The completed work constitutes the unit

Docket copy

RECEIVED

OCT 13 1955

MF-200A
(Revised June 1954)

Docket No. DMEA [redacted]

Commodity [redacted]

Contract No. Idm-E872

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

It is agreed this SEP 15 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] .....

[redacted],

whose mailing address is [redacted],

hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] [redacted] of [5] [redacted] in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] .....; [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: .....

[redacted]

(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: .....

[redacted]

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

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Strategic Ice. 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 February 29, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work, except as otherwise provided in Exhibit "A" with respect to stages.

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 $8,064.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $6,048.00: *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.

Howard Smith

HOWARD SMITH

(Operator)

THE UNITED STATES OF AMERICA

By C O Mitchell

Administrator, Defense Minerals Exploration Administration

Boton

"Appd. Sol. Off."

Hyden

J L Kearney

Talbert

BY

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

K Johnson

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

EXPLORATION PROJECT CONTRACT
HOWARD SMITH
DOCKET NO. DMMA-3930

RECEIVED
OCT 13 1955

ANNEX I

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

In Toe River Township, adjoining the lands of Sam Ingram and others, and BEGINNING on a locust standing in Samuel Ingram's line and his corner and runs north 46 poles to a locust, an old corner; thence north 41 degrees east 47 poles to a stake, an old corner; thence south 12 degrees east 80 poles to a hickory; thence south 40 degrees east 101 poles to a maple; thence south 38 poles to a stake; thence south 63 degrees west 16 poles to a black gum, Howell's corner; thence with Howell's line north 35 degrees west 40 poles to a small chestnut oak; thence west 43 poles to a stake in Samuel Ingram's line; thence north 3½ degrees west 86 poles to a chestnut; thence west with Samuel Ingram's line to the BEGINNING, containing 40 acres, more or less.

EXPLORATION PROJECT CONTRACT
HOWARD SMITH
DOCKET NO. DMEA - 3930

RECEIVED
OCT 13 1955

EXHIBIT "A"

Description of the Work

The location of the exploration work is shown in part on the map entitled, "Sketch of Howard Smith Prospect, Avery Co., N.C., DMEA-3930 (mica)" attached hereto and made a part hereof.

The work is divided into three stages, as indicated below. The Operator shall perform Stage I, and shall perform as much of Stages II and III as the Government approves in writing.

All workings shall be timbered as necessary; and the location, inclination, direction, and extent of all work are subject to the approval of the Government.

Stage I

Prospect No. 1.

With a D-4 or equivalent bulldozer, extend the existing trench to the southwest. The new cut shall be about 80 feet long by 15 feet wide by 6 feet deep.

Prospect No. 2.

With a D-4 or equivalent bulldozer, clean out and extend the existing trench to the southwest. The new cut shall be about 100 feet long by 15 feet wide by 6 feet deep.

Stage II

1. With a D-4 or equivalent bulldozer, construct 300 linear feet of access road.

2. 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.

RECEIVED
OCT 13 1955

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.

Stage III

Prospect No. 1.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Prospect No. 2.

(a) At a point approved by the Government, sink a 40-foot incline shaft on the pegmatite. The shaft shall have two compartments and shall have minimum cross sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

Fixed Unit Costs

Stage I

Prospect No. 1.

Bulldozing 5 hours @ $10.00 per hour	$50.00

Prospect No. 2.

Bulldozing 7 hours @ $10.00 per hour	70.00
Estimated total cost Stage I	$120.00

Stage II

Bulldozing 3 hours @ $10.00 per hour	$30.00
Construct:	
Toolhouse 1/	75.00
Powder magazine 1/	25.00
Exploder magazine 1/	14.00
Estimated total cost Stage II	$144.00

Stage III

Prospect No. 1.

Shaft sinking 40 feet @ $45.00 per foot	$1800.00
Drifting 60 feet @ $35.00 per foot	2100.00

Prospect No. 2.

Shaft sinking 40 feet @ $45.00 per foot	1800.00
Drifting 60 feet @ $35.00 per foot	2100.00
Estimated total cost Stage III	$7800.00
Estimated total cost of project	8064.00
Government participation @ 75%	6048.00

1/ The completed work constitutes the unit

west 43 poles to a stake in Carroll Ingram's line; thence north 30 degrees west 16 poles to a chestnut; thence west with Carroll Ingram's line to the [illegible] containing 40 acres, more or less.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

RECEIVED
AUG - 1 1955

CONSENT TO LIEN

To the United States of America:

Avery

Referring to that certain land in the County of _____, State of North Carolina described as follows:1/ In the Mary Bowman, adjoining the lands of Sam Ingram and others, and beginning on a locust standing in Carroll Ingram's line and his corner and runs south 40 poles to a locust, an old corner; thence south 51 degrees east 47 poles to a stake, an old corner; thence south 12 degrees east 40 poles to a hickory; thence south 40 degrees east 101 poles to a maple; thence south 30 poles to a stake; thence south 67 degrees west 26 poles to a black gum, Carroll's corner; thence with Carroll's line north 39 degrees west 40 poles to a small chestnut oak; thence (see above)

_____,

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 27th day of July, 195 5

Howard Smith [Seal]

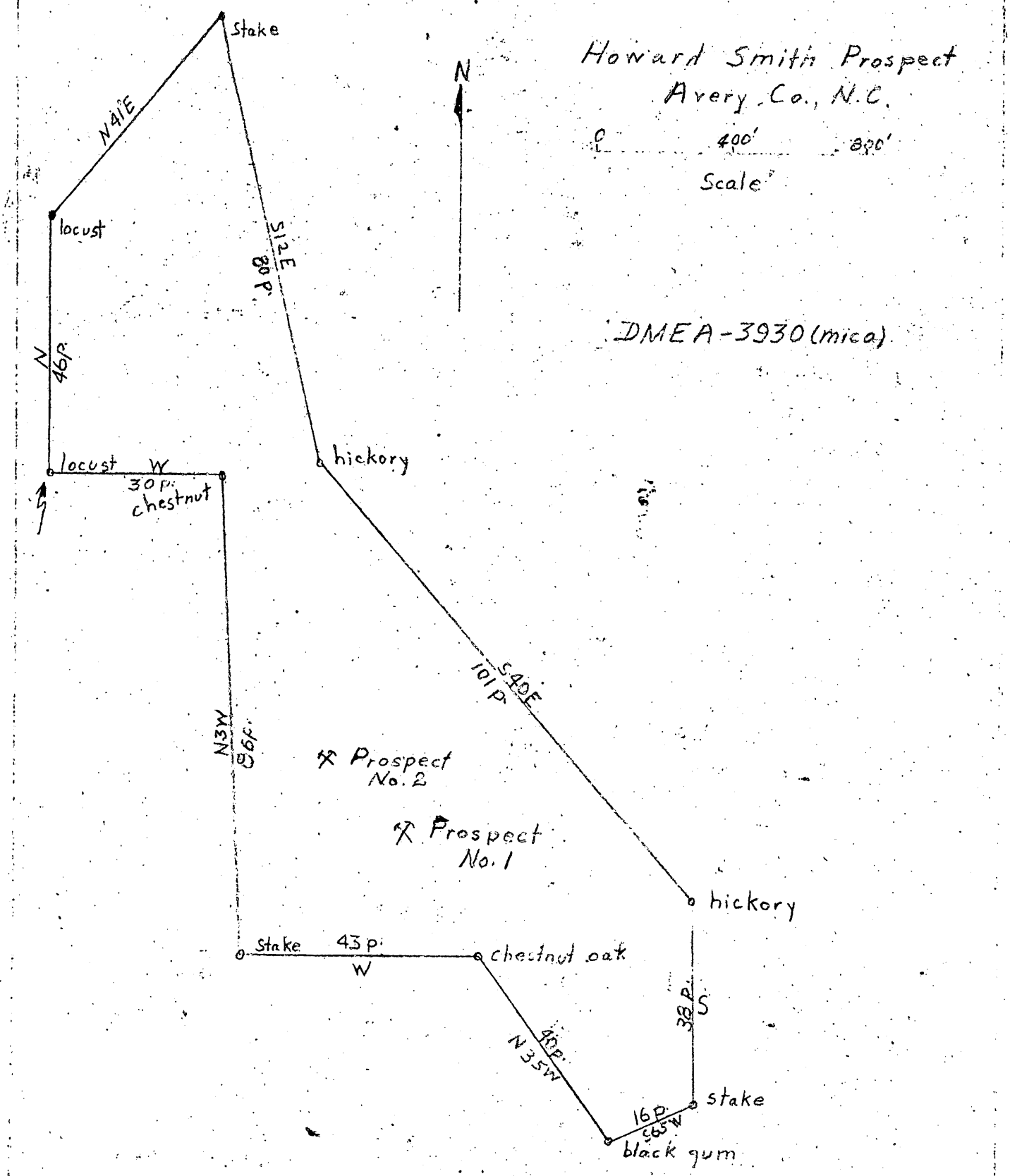
Eileen L. Smith [Seal]

_____ [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]


Howard Smith Prospect
Avery Co., N.C.
0 400' 800'
Scale
N
DMEA-3930 (mica)
Stake
N41E
locust
N
46p
locust
W
30p.
chestnut
S12E
80p.
hickory
S40E
101p
N3W
86p.
Prospect
No. 2
Prospect
No. 1
hickory
Stake
43p.
W
chestnut oak
38p.
S
N35W
41p.
stake
16p.
S65W
black gum

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

DOCKET COPY
Surname:
Hopkins
Anderson
Selfridge
Johnson

SEP 20 1956

Mrs. Eileen L. Smith

Ingalls, North Carolina

Re: Docket No. DMEA-3930-mica
Howard Smith
Howard Smith Prospect
Avery County, North Carolina
Contract No. Idm-8872

Dear Mrs. Smith:

Reference is made to the Owner's Consent to Lien which you executed on July 27, 1955, in connection with the DMEA contract for an exploration project on your property located in Avery County, North Carolina.

For your information, there is enclosed a copy of our letter of this date to Mr. Howard Smith 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:ms 9/19/56
Copy to: Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

DOCKET COPY
Surname:
Hopkins
Anderson
Chambers
Selbridge
Johnson

SEP 20 1956

Mr. Howard Smith

Ingalls, North Carolina

Re: Docket No. DMEA-3930-mica
Howard Smith
Howard Smith Prospect
Avery County, North Carolina
Contract No. Idm-2872

Dear Mr. Smith:

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:ms 9/18/56
Copy to: Docket
Field Team, Region V
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File
Eileen L. Smith (co-owner of land)

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

September 19, 1956

Project Summary Report

By: James Hopkins

1. Docket No. DMEA-3930-mica
Howard Smith
Howard Smith Prospect
Avery County, North Carolina
Contract No. Idm-E872

Operator: Howard Smith
Ingalls, North Carolina
Operator's Property Rights:
Owner

2. Contract: dated September 15, 1955

(a) Work Authorized:

Stage I - Prospect I	
Bulldozing 5 hrs. @ $10.00/hr.	$ 50.00
Prospect II	
Bulldozing 7 hrs. @ $10.00/hr.	70.00
Stage II - Prospects I and II	
Bulldozing 3 hrs. @ 10.00/hr.	30.00
Construction of Buildings	114.00
Stage III - Prospect I	
Shaft Sinking 40 ft. @ $45.00/ft.	1,800.00
Drifting 60 ft. @$35.00/ft.	2,100.00
Prospect II	
Shaft Sinking 40 ft. @ $45.00/ft.	1,800.00
Drifting 60 ft. @ $35.00/ft.	2,100.00
Total Estimated Cost of Project	$8,064.00

(b) Amendments - none

(c) Work Completed:

Bulldozing Prospects I and II and Access Road	$ 150.00
Shaft Sinking 40 ft. @ $45.00/ft. (Prospect II)	1,800.00
Drifting 60 ft. @ $35.00/ft. (Prospect II)	2,100.00
Building Construction	114.00
Total Cost of Project	$4,164.00

Work began November 12, 1955 and was completed January 31, 1956.
Final Field Team Report dated February 24, 1956.
Final Operator's Report dated February 2, 1956.

3. Audit: Report of Review dated February 23, 1956

Total Cost as billed by the Operator	$4,164.00
Exceptions	none
Total Accepted Cost	$4,164.00
Government participation	$3,123.00

4. Certification of Discovery - none issued

5. Comments:

Two pegmatities have recently been discovered on this property and have been uncovered by bulldozer trenching. Both showed promise of yielding mica of strategic grade.

Geologic Premise on which work was based:

Pegmatite No. 1 is 6" to 2 feet thick and is conformable to enclosing mica schist. It contains mica that is green-colored, flat, and relatively clear. About 75# were obtained by bulldozing. No zoning is apparent.

Pegmatite No. 2 is located 150 feet from No. 1. It is 3' to 10' thick; is semi-weathered and lies conformable to country rock. It is similar in composition to No. 1 and muscovite is more abundant.

Geologic criteria developed during the project:

Except at the portal and end of N 30° E drift, the incline and drifts were driven in fine-grained, unzoned, feldspathic pegmatite lense with very little quartz or strategic muscovite. Percentage of muscovite to pegmatite in the incline is almost nil. In the drift it is about 1 in 20.

Muscovite is green, small (2" wide), some unstained and flat.

Country rock is highly weathered mica gneiss.

Of the total pegmatite the "mine-run" block recovery is about .03%.

The Field Team estimated production during the project at 250# valued at $150.00. However, in a memorandum dated June 13, 1956 in response to an inquiry from this office, they report no sales and consequently no royalties are due the Government.

There are no reserves.

Future Possibilities:

No further work is warranted.

Recommendations:

The Field Team recommends that no certification of discovery be issued.

The Nonmetallic Minerals Division and the Commodity Members of the Geological Survey and Bureau of Mines concur in this recommendation.

James Hopkins

June 13, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Production from Completed Uncertified Projects.

Reference is made to your letter of May 23, requesting information on production and royalties due from several uncertified projects:

Following is all the information we have been able to obtain from a check of the Spruce Pine Depot records and from the Operators:

Docket No.	Date of sale	Lbs.	Value
DMEA-3726	11/15/55	29.81	$243.06
DMEA-3801	none		
DMEA-3815	none		
DMEA-3926	none		
DMEA-3930	none		

In most of these cases the small amount of mica recovered during the project was not good enough to make a sale. It appears that royalty is due only on DMEA-3726, Idm-E813, from which $12.15 is due.

V. J. Lynch, Member
Bureau of Mines

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

DOCKET COPY
Surname:

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

Chr
Doyle
Selfridge
Whitehead

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

MAY 21 1956

Dear Mr. Laurence:

Reference is made to the following uncertified projects which have been completed or terminated, but no closing letters can be written because of incomplete information on the production and the royalties which may be due the Government:

Docket No. DMEA	Contract No. Idm	Production during Project	Value of Production	Royalties Due	Royalties Paid	End of Certification (6 mos. from date Final Report)
3726	E813	1100 lbs.	Unknown	?	None	April 27, 1956
3801	E836	100 lbs.	Unknown	?	None	March 27, 1956
3815	E848	60 lbs.	Unknown	?	None	April 30, 1956
3926	E881	200 lbs.	$112.00	$5.60	None	Aug. 14, 1956
3930	E872	250 lbs.	$175.00 (about)	$8.75	None	June 30, 1956

In order to close out these contracts it will be appreciated if you will take whatever action you deem necessary for collection of the unpaid royalties.

Sincerely yours,

Approved:

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

George C. Selfridge
Chairman, Operating Committee (JHS)

Thor H. Kiilsgaard (JHS)
Member, Geological Survey

JHopkins:ms 5/17/56
Copy to: Docket(5)
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5232
Mr. Dietrich, 3061
Mr. Nenk(5)
Admr. R. File

R.C.K.

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

RECEIVED
MAR 14 1956

March 14, 1956

RECEIVED
MAR 14 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3930 (mica)

Applicant: Howard Smith

Name and Location of Property: Howard Smith Prospect, Avery Co., N. C.

Contract Number: Idm-E 872

Date of Field Team Report: 2/24/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/5/56

Field Team Recommendation: Recommend that no certification of discovery be made.

Comments:

1. About 250 pounds of small, green, "mine-run block" mica was 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	$8,064.00
Total cost	4,164.00
Gov't. share of the cost	3,123.00
Value of production during operation	175.00 (est.)

Recommendation: I concur with the field team's recommendation for no certification.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAR - 6 1956

March 6, 1956

Re: DMEA 3930 Idm-E872
Howard Smith
Howard Smith prospect 1&2
Avery County, N. C.
$8,063.00 - Mica

Memorandum

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

From: N. E. Nelson, Geological Survey

Subject: Review of Final Field Team report.

The expenditure of $8,063.00 in a 3-stage program was approved for work on 2 pegmatites.

The bulldozing work on prospect No. 1 showed it to be barren of mica but No. 2 appeared to be worth further work. A 17° incline shaft was sunk 40 feet and 60 feet of drift driven from it at a total cost of $4,164.00 of which the Government's share was $3,123.00.

Mica to the value of $175.00 (est.) was recovered. All work was in a low-quartz feldspathic pegmatite.

In view of the unfavorable results of the work and the unlikely appearance of the pegmatite the issuance of a certification is not recommended by the examiners and the Field Team. I concur with that recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED
FEB 29 1956

February 28, 1956

Memorandum

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

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

Subject: Field Team Final Report, DMEA-3930, Idm-E872 (Mica)
Howard Smith, Ingalls, North Carolina
Howard Smith Prospect, Avery County, North Carolina

Enclosed are four copies of the subject report.

We agree with the recommendation that it should not be certified.

A small amount of royalty (about $8.75) is due. There is usually a considerable delay before the Operator sells and is paid for his mica when only a small amount is recovered, but we expect to receive this royalty when the Operator receives his payment.

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

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

Enclosures 4

Reviewed by
DMEA OPERATING COMMITTEE
3-5-56
(date)

RECEIVED
FEB 29 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM # REGION V

On

DMEA-3930, Idm-E872, HOWARD SMITH PROSPECT
Avery County, North Carolina (mica)

By

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

and

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

February 24, 1956

Reviewed by
DMEA OPERATING COMMITTEE
3-5-56
(date)

RECEIVED
FEB 29 1956

FINAL REPORT

On

DMEA-3930, Idm-E872, HOWARD SMITH PROSPECT
(mica)

Operator: Howard Smith, Ingalls, North Carolina

Summary

Approximately 250 pounds of small, green, "mine-run block" mica was recovered from the bulldozing at the incline portal and in the N 30° E and N 30° W drifts. Mica is very sparse in a relatively barren pegmatite. No reserves are indicated or inferred, and no further exploratory work is warranted. The Field Examiners do not recommend certification.

Introduction

Location:

The Howard Smith Prospect is about 1.15 airline miles S. 43° W of Pyatte, Avery County, North Carolina on the eastern slope of Buck Hill Mountain at about 3200 feet elevation.

Final Inspection:

A final inspection was made January 31, 1956. The Operator was not present, as he had completed work under the contract and apparently does not intend to do any further work. He completed the work as outlined in the contract in a satisfactory manner.

Mine Workings:

Work began November 12, 1955, and ended by January 31, 1956.

The mine, on January 31, 1956 consisted of a bulldozed cut (80' x 15' x 6') at Prospect No.1 (ended work at No.1 with bulldozing), a bulldozed cut (100' x 15' x 6') at Prospect No. 2, an inclined shaft 40 feet long on a -17° incline, in a N 50° W direction, and 60 feet of drifts. A 13 ft drift was

extended in pegmatite N 50° W from the bottom of the incline. From the 40-foot point in the incline a drift extends 17 ft N 30° E where it intersects the contact of the pegmatite and soft weathered mica gneiss. The drift then turns and follows the footwall contact for 8 ft in a N 30° W direction. Opposite the N 30° E drift at the 40 ft point in the incline, a drift extends 25 ft in a S 85° W (general direction) from the incline. The drifts total 64 ft (4 ft at Operator's expense), and the incline shaft totals 40 ft. The shaft was timbered near the portal. All work was in pegmatite.

Approximately 300 ft. of access road was constructed by bulldozing during Stage II. Surface facilities include a powder and exploder magazines and a toolhouse. All were constructed under the contract.

Prospect No.2 at which the incline was driven, is about 150 ft up-slope from Prospect No.1.

Geology

Pegmatite:

Except at the portal and end of the N 30° E drift, the incline and drifts were driven in a fine-grained, unzoned, feldspathic pegmatite lense, with very little quartz or strategic muscovite. The rest was in medium grained pegmatite. It is soft, and composed mainly of kaolinized plagioclase with some lineated bands of sercite and biotite, small lineated masses of buff to pink perthite, and small intermixed quartz and muscovite. The percentage of muscovite to pegmatite in the incline was almost nil; however, in the N 30° E drift at the contact zone, muscovite comprised about 5% of the pegmatite. The muscovite did not persist alogg that zone in the N 30° W direction. Very little muscovite was recovered from the S 85° W drift. An estimate may be given as to relative percentage of "run-of-mine" book mica to the entire 3,640

cubic feet of pegmatite removed.

The percentage would be .03%; with a recovery from that work in the shaft and drifts of 140 lbs.

Country Rock:

Country rock consists of a highly weathered mica gneiss. It has weathered to a red-brown micaceous soil.

Muscovite:

Muscovite is green, small (2" wide) some unstained, and flat. About 250 lbs. of "mine-run-block" were recovered from the cut at the portal and near the K- feldspar, coarse-grained wall zone in the N 30° E drift. The Operator states that he recovered only 140 lbs of small green "mine-run-block" from the N 30° E drift and N 30° W drift. Of the total pegmatite recoved the "mine-run-block" recovery factor is about .03%.

Reserves

Reserves are negligible. Mica is not abundant enough to sustain an economic operation.

Conclusions and Recommendations

No equipment was purchased by the Government. Muscovite mica of strategic grade is lacking in quantity. About 250 lbs of "mine-run-block" mica produced does not indicate that a discovery has been made. No further exploratory work is warranted. The Field Examiners recommend that the mine not be certified.

Expenditures

(a)	Total approved	$8,064.00
(b)	Cost of project	4,164.00
(c)	Government's share of cost	3,123.00
(d)	" " unexpended	2,925.00
(e)	Value of production (esti.)	175.00
(f)	Royalty paid	None

February 24, 1956

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

and

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

FEB 23 1956

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

Re: Docket No. DMEA-990
Howard Smith
Avery County, N. C.
Contract No. 14m-8872

Dear Mr. Lawrence:

Enclosed are the original and two copies of a Report of Review covering the above-cited project.

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

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

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

WBorovies/wb
February 23, 1956

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

A.C.S.

February 6, 1956

RECEIVED
FEB 13 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Operator's Final Reports

Enclosed herewith are four copies each of the Operator's final reports on the following projects:

DMEA-3822, Idm-E849, Black Bull Mine

DMEA-3930, Idm-E872, Howard Smith

While neither of these meets the standards of a geologic and engineering report, we are accepting them as the best obtainable under the circumstances.

Robert A. Laurence

RAL/sm
cc:
Lynch
Files

Final Report

HOWARD SMITH

INGALLS, N. C.

RECEIVED
FEB 13 1956

February 2, 1956

RECEIVED
FEB 6 - 1956
U. S. Geologic Survey
Knoxville, Tenn.

Mr. Robert A. Laurence
U.S. Department of The Interior
Executive Officer, DMEA Field Team
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Sir:

Enclosed you will find the final report on Howard Smith, Contract No. Idm-E 872 on stages I, II, and Prospect # 2 of stage III.

Began operations on 12th. day of November, 1955. Started drilling on Incline in hard vein and rock. Pulled 40 feet with vien spreading. Turned north from above incline shaft and drilled and pulled 35 feet with vein harder in the bottom and heading.

Recovered around 140 pounds small mica, then turned south and pulled 30 feet. The last drilling was harder as it was in small flint.

I have on hand about 140 pounds of mica which I will work out and sell. When this mica is sold to the U.S. Depot in Spruce Pine, N. C. I will mail your check and invoices of sale.

Yours truly

Howard Smith.

RECEIVED
FEB 13 1956

C O P Y

HOWARD SMITH

INGALLS, N. C.

February 2, 1956

Mr. Robert A. Laurence
U. S. Department of the Interior
Executive Officer, DMEA Field Team
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Sir:

Enclosed you will find the final report on Howard Smith, Contract No. Idm-E872 on Stages I, II and Prospect #2 stage III.

Began operations on 12th day of November, 1955. Started drilling on Incline in hard vein and rock. Pulled 40 feet with vien spreading. Turned north from above incline shaft and drilled and pulled 35 feet with vein harder in the bottom and heading.

Recovered around 140 pounds of small mica, then turned south and pulled 30 feet. The last drilling was harder as it was in small flint.

I have on hand about 140 pounds of mica which I will work out and sell. When this mica is sold to the U. S. Depot in Spruce Pine, N. C. I will mail your check and invoices of sale.

Very truly

Howard Smith

Copied by zm.
2/7/56
cc:
Finance Office-3
Lynch
Peyton
Files

Final Report

C O P Y

RECEIVED
FEB 13 1956

HOWARD SMITH

INGALLS, N. C.

February 2, 1956

Mr. Robert A. Laurence
U. S. Department of the Interior
Executive Officer, DMEA Field Team
Room 13, Post Office Building
Knoxville 2, Tennessee

Dear Sir:

Enclosed you will find the final report on Howard Smith, Contract No. Idm-E872 on stages I, II and Prospect # 2 of stage III.

Began operations on 12th. day of November, 1955. Started drilling on Incline in hard vein and rock. Pulled 40 feet with vien spreading. Turned north from above incline shaft and rilled and pulled 35 feet with vein harder in the bottom and heading.

Recovered around 140 pounds small mica, then turned south and pulled 30 feet. The last drilling was harder as it was in small flint.

I have on hand about 140 pounds of mica which I will work out and sell. When this mica is sold to the U. S. Depot in Spruce Pine, N. C. I will mail your check and invoices of sale.

Yours truly

Howard Smith

Copied by zm.
2/7/56
cc:
Finance Office-3
Lynch
Peyton
Files

INTERIM REPORT

RECEIVED
JAN 27 1956

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

RATOR: Howard Smith, Ingalls, N. C.

CATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Drifting continues on this contract and now totals 39 feet; 13 feet N50°W, 17 feet N30°E, and 9 feet N30°W. The last 9 feet of drift has been controlled by intersection of wall rock, and a turn was made in the drift in order to follow ribs of quartz associated with good quality mica. The Operator was advised to discontinue the drift to the northwest because of the appearance of wall rock on the northeast side of the drift and also in the present face. Pegmatite material encountered is primarily feldspathic with occasional quartz and small green muscovite mica. Instructions were given for starting a new drift to the southwest that will explore an extension of the pegmatite in that direction. No recent mica recovery was reported. Progress on this contract is satisfactory.

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 17, 1956

ACTION ON [illegible] 3930
[illegible] REPORT

Date 2-16

Referred to:

1. Mr. ~~Mittendorf~~
2. ~~Mr. Johnsen~~
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 H. ADAMS

Initials

RECEIVED
FEB 16 1956

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

Operator: Howard Smith, Ingalls, N. C.

Location: 1.5 airline miles S. 43° W of Pyatte, Avery County, N. C.

This contract has been completed in a satisfactory manner, as of the Field Examiners last inspection, January 31, 1956.

Two parallel NE - SW trending bulldozer trenches were made as part of Stage I (Prospects 1 and 2). Stages II and III were completed on Prospect No. 2, which lay 150 feet up-slope from Prospect No. 1. Stage II consisted of bulldozing approximately 1000 feet of entry road, constructing a tool house, powder and exploder magazines.

Stage III was completed at Prospect No. 2 trench and consisted of 40 feet of incline and 64 feet of drift (4 ft at Operator's expense). The incline was driven in the upslope wall of No. 2 trench, in the NE termination of a 10-foot thick soft weathered pegmatite lense. It was driven on a - 17° incline in a N 50° W direction for a distance of 40 feet entirely in pegmatite. Thirteen feet of drift were driven in the same direction. At 40 feet, on the incline, a drift was driven N 30° E for a distance of 17 feet, or until it intersected the foot and hanging wall contacts (soft weathered mica gneiss). The footwall contact was followed for 9 feet in a N 30° W direction. Twenty-five feet of drift was then driven in a S 85° W direction from the incline, opposite the N 30° E drift.

Except at the portal and end of the N 30° E drift, all incline and drift were driven in a fine grain feldspathic pegmatite, with very little

quartz or strategic muscovite. Certification of this project ~~will not be~~ recommended.

The pegmatite is principally soft, kaolinized, plagioclase feldspar, with considerable fine lineated bands of sericite and biotite, small lineated masses of buff to pink orthoclase and perthite, and some small disseminated quartz. An occasional small thin books of flat unstained green muscovite would be found associated with small disseninated quartz masses. The inter-pegmatite foliation (sericite, biotite) is more or less parallel to the longitudional axis of the pegmatite and was followed roughly by the incline and drifts. There is a 2 to 4 foot coarse grained pegmatite zone lying along the contacts in the N 30° E heading and along the N 30° W drift. The persistant sericite, biotite lineation is abruptly truncated at the edge of the coarse grained wall zone. Quartz and strategic muscovite are much more abundant in this zone, which pinched out abruptly in the N 30° W heading. Approximately 250 pounds of small mine-run block mica were recovered from the bulldozing at Prospect No. 2, in the incline portal (contact zone), and in the N 30° E and N 30° W drifts (contact zone).

January 31, 1956 - Inspected.

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

and

L. E. Shirley, Mining Engineer

z

RECEIVED
JAN 13 1956

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, N. C.

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Drifting continues on this contract and is now at 30 feet. The last 17 feet has been driven N30°E in pegmatite which is primarily feldspathic containing some small scattered quartz. The present face shows a quartz rib 4 to 6 inches thick near the roof area and a quartz-mica zone near the floor. The Operator stated that an estimated 150 pounds of "mine-run" block mica was recovered from the two above described areas and that no mica was recovered where quartz was absent. Country rock or an inclusion has been encountered in the lower right corner of the present face. The Operator was advised to continue the drift with a slight change in direction. Progress on this contract is satisfactory.

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 4, 1956

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

RECEIVED
DEC 27 1955

OPERATOR: Howard Smith, Ingalls, N. C.

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Inclined shaft sinking has been completed to a total depth of 40 feet on a -20° slope. Drifting is underway and has been advanced 13 feet in a N50°W direction. All work to date has been accomplished in pegmatite composed primarily of feldspar containing scattered small sizes of green muscovite mica. Small quartz is usually associated with the mica, but both quartz and mica occurrence has been sporadic, and more frequent in the footwall area. The operator was advised to discontinue the drift to the northwest and start drifts to the northeast and southwest from the incline. Negligible production has resulted from last sinking. Progress on this contract has been 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 13, 1955

RECEIVED
DEC 15 1955

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, N. C.

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery County, North Carolina

Prospect #2 -

Incline sinking on a -17° slope continues on this contract and is now at 35 feet. The body has thickened considerably since the last visit, and is estimated to be 15 feet from hanging wall to foot wall. A 10-foot vertical section is exposed in the present face. Material encountered is pegmatite composed principally of feldspar, and scattered quartz in close association with small to medium-sized blocks of excellent quality green mica. The Operator was advised to deepen the incline and continue the work to the northwest. About 150 pounds of "mine-run" block mica has been recovered to date.

Muck is being handled by track and car. It was suggested that the hoisting rope pulling the car be replaced immediately because of defects in the cable. Progress on this contract is good.

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 29, 1955

INTERIM REPORT

RECEIVED
NOV 28 1955

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, North Carolina

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

Prospect No. 2 - Inclined shaft sinking is underway on this contract and is now at 11.5 feet. The incline work is being conducted in a N60°W direction and is following the footwall contact of the body which dips about 45°. The hanging wall contact exposed at the portal is dipping about 26°. About 80 pounds of excellent quality clear, green muscovite mica has been recovered from the pegmatite which is composed of feldspar primarily, with scattered small quartz and occasional blocks of mica on the footwall. The operator was advised to continue sinking, following the footwall, until another visit can be made. Suggestions were made concerning necessary timber work at the portal and in the incline.

Powder and cap magazines and a tool house have been built during the past two weeks. It was suggested that all underground workers wear safety hats. Progress on this contract has been good.

L. E. Shirley

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

S. C. Bergman A. R. Taylor

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

November 15, 1955

Docket Copy

October 27, 1955

RECEIVED
OCT 31 1955

Mr. Howard Smith

Ingalls, North Carolina

Re: DMEA-3930, Idm-E872 (mica)
Howard Smith Prospect
Avery County, N. C.

Dear Mr. Smith:

This letter will constitute approval to do all the work outlined under Stage II of the contract, and to begin work authorized under Stage III only at Prospect No. 2, as indicated by Mr. Teague and Mr. Shirley last week. Work outlined under Stage III at Prospect No. 1, is not authorized.

Very truly yours,

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

RAL/sm
cc:
Washington-3
Finance Office-1
Lynch
Shirley
Files
Opr. Com.1

RECEIVED
OCT 31 1955

INTERIM REPORT

DMEA-3930, Idm-E872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, North Carolina

LOCATION: 1.15 airline miles S43°W of Pyatte, Avery Co., N. C.

The starting date on this contract is October 10, 1955. Stage I of the contract consisting of bulldozing has been completed. Additional exploration appears warranted at Prospect No. 2, but no additional work is recommended at Prospect No. 1.

Prospect No. 1 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The trench is 65 feet long, 16 feet wide, and 4 feet deep. Workable pegmatite was not exposed, but a small lense or pod was uncovered on the extreme southwest end of the trench. No additional work appears warranted at this location.

Prospect No. 2 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The completed trench is 100 feet long, 16 feet wide, and averages 6 feet deep. On the uphill side the depth is 8 to 10 feet. Excavation on the northeast end of the existing cut more fully exposed a pegmatite about 4 feet thick, essentially feldspathic and barren of mica. On the southwest end of the new trench a pegmatite about 7 feet thick composed of feldspar, scattered quartz, and medium sized blocks of green muscovite mica was exposed. The examiners are of the opinion that this body warrants additional exploration in the form of Stage II, and instructions were given for sinking an incline which would follow the dip of the body.

Another visit will be made to this prospect in the near future.

L. E. Shirley

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

K. H. Teague

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

October 18, 1955

extra

RECEIVED
OCT 31 1955

INTERIM REPORT

DMEA-3930, Idm-8872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, North Carolina

LOCATION: 1.15 airline miles 343°W of Pyatts, Avery Co., N. C.

The starting date on this contract is October 10, 1955. Stage I of the contract consisting of bulldozing has been completed. Additional exploration appears warranted at Prospect No. 2, but no additional work is recommended at Prospect No. 1.

Prospect No. 1 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The trench is 65 feet long, 16 feet wide, and 4 feet deep. Workable pegmatite was not exposed, but a small lense or pod was uncovered on the extreme southwest end of the trench. No additional work appears warranted at this location.

Prospect No. 2 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The completed trench is 100 feet long, 16 feet wide, and averages 6 feet deep. On the uphill side the depth is 8 to 10 feet. Excavation on the northeast end of the existing cut more fully exposed a pegmatite about 4 feet thick, essentially feldspathic and barren of mica. On the southwest end of the new trench a pegmatite about 7 feet thick composed of feldspar, scattered quartz, and medium sized blocks of green muscovite mica was exposed. The examiners are of the opinion that this body warrants additional exploration in the form of Stage II, and instructions were given for sinking an incline which would follow the dip of the body.

Another visit will be made to this prospect in the near future.

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

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

October 18, 1955

Intra

RECEIVED
OCT 31 1955

INTERIM REPORT

DMRA-3930, Idm-2872 (mica) HOWARD SMITH PROSPECT

OPERATOR: Howard Smith, Ingalls, North Carolina

LOCATION: 1.15 airline miles 343°W of Pratts, Avery Co., N. C.

The starting date on this contract is October 10, 1955. Stage I of the contract consisting of bulldozing has been completed. Additional exploration appears warranted at Prospect No. 2, but no additional work is recommended at Prospect No. 1.

Prospect No. 1 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The trench is 65 feet long, 16 feet wide, and 4 feet deep. Workable pegmatite was not exposed, but a small lense or pod was uncovered on the extreme southwest end of the trench. No additional work appears warranted at this location.

Prospect No. 2 - An existing open cut trending N40°E was extended to the southwest by bulldozer cut. The completed trench is 100 feet long, 16 feet wide, and averages 6 feet deep. On the uphill side the depth is 8 to 10 feet. Excavation on the northeast end of the existing cut more fully exposed a pegmatite about 4 feet thick, essentially feldspathic and barren of mica. On the southwest end of the new trench a pegmatite about 7 feet thick composed of feldspar, scattered quartz, and medium sized blocks of green muscovite mica was exposed. The examiners are of the opinion that this body warrants additional exploration in the form of Stage II, and instructions were given for sinking an incline which would follow the dip of the body.

Another visit will be made to this prospect in the near future.

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

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

October 18, 1955

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

RECEIVED
OCT 13 1955

October 11, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: Signed Contract - Idm-E872, DMEA-3930, Howard Smith. (mica) Ingalls, N. C. Howard Smith Prospect.

Transmitted are three signed copies of the subject contract. The usual distribution of the other copies has been made by this office.

V. J. Lynch

V. J. Lynch,

Docket Copy
Surname:

Adm
F. L. Kinsman
Fallent
S. C. Selfridge
J. E. Jensen

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

600

SEP 15 1955

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

Subject: Docket No. DMEA-3930 - Mica
Howard Smith
Howard Smith Prospect
Avery 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.

Please show a tie-in on each copy of the property map with the boundary before presenting the contract to the Operator for his signature.

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

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from Mr. N. E. Nelson of the Geological Survey, dated August 29, 1955, and from Mr. W. F. Dietrich of the Bureau of Mines, dated August 30, 1955, are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

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

/s/ N. E. Nelson
Member, Geological Survey

Enclosures 10

JHopkins:gad 9/14/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

R.G.

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

RECEIVED
AUG 31 1955

August 30, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3930 (mica)

Applicant: Howard Smith

Name and Location of Property: Howard Smith Prospect, Avery Co., N. C.

Date of Field Team Report: 8/9/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/30/55

Field Team Recommendation: Recommend a staged exploration program on a unit cost basis.

Comments:

1. Stage II and III should be included as one stage, since initiation of Stage III is not contingent upon any results obtained in Stage II.

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

3. The costs as submitted by the field team are in line with other DMEA projects.

4. Total estimated costs are in the amount of $8,063.00

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
AUG 30 1955

August 29, 1955

Re: DMEA 3930
Howard Smith
Howard Smith Prospect
Avery Co., N. C.
$8,063.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The work program proposed calls for further trenching on two pegmatites to be followed by underground work. The estimated cost of all work, if done, to be $8,063.00. Further uncovering of the thin pegmatite is probably justified and the 3- to 10-foot body definitely so. A careful appraisal should be made before Stages II and III are embarked upon.

I concur with the acceptance recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

August 22, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: Field Examination Report - DMEA-3930, Howard Smith, Ingalls, North Carolina (Mica)

Enclosed are four copies of the subject report, with nine extra copies of the map attached.

The Field Team is in agreement with the Field Examiners' recommendation for a contract to be issued on a unit-cost basis in stages.

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

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

RECEIVED
AUG 24 1955

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION V

ON

DMEA-3930 (mica) HOWARD SMITH PROSPECT
Avery County, North Carolina

By

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

and

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

RECEIVED
AUG 24 1955

August 9, 1955

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

FIELD EXAMINATION REPORT
On
DMEA-3930 (mica) HOWARD SMITH PROS.

Applicant: Howard Smith, Ingalls, North Carolina

Two pegmatites have recently been discovered on this property and have been uncovered by bulldozer trenching. Both show promise of yeilding mica of strategic grade. It is recommended that exploration assistance be granted. Work should be staged on both bodies.

The Howard Smith Prospect is on a spur west of the west branch of Fork Creek and is 1.15 airline miles S. 43° W. of Pyatte, Avery County, North Carolina. Access is available by a vehicle to within about 300 feet of the prospect.

The property was examined August 9, 1955. Messrs. Howard Smith and Sam Smith accompanied the examiners on the inspection which required about two hours.

The applicant and his wife own the property (40 acres). The nearest property line is about 400 feet south of the southeastern prospect. No surface facilities are present on the property.

Prospect No. 1. A thin pegmatite that is conformable to enclosing mica schist has been exposed by a dozer cut at this prospect. It strikes about N. 15° E. and dips approximately 30° NW. The body is about 6 inches thick at its northeasternmost exposure but thickens to about two feet to the southwest. Both pegmatite and country rock are semi-weathered. The pegmatite consists of plagioclase, quartz, perthite and muscovite, in order of abundance.. No zoning is apparent. Faulting whose attitude is parallel to both the strike and dips of the foliation of the mica-schist is common in the wall rock adjacent to the pegmatite.

The mica is green-colored, flat and relatively clear. The chief defects are reeves and ruling.

The applicant report that he obtained about 75 pounds of "mine-run" mica from the bulldozing. Any exploration work done on this body should be confined to the southwest where the pegmatite is thicker.

Prospect No. 2. The prospect is located about 150 feet northwest of Prospect No. 1. A pegmatite 3-10 feet thick has been exposed by bulldozing. It strikes about N. 35° E. and has a variable dip that averages about 30° to the northwest. The body is essentially conformable to the enclosing country rock. Both are semi-weathered. The pegmatite is similar in composition to the one exposed at Prospect No. 1. Muscovite is much more abundant on the southwest end of the body where the pegmatite is thinner. It is similar to that found in the other prospect but "A" structure is much more common.

It is recommended that exploration assistance be granted on this property at both prospects. The work at both should be staged.

Estimated Costs:

Prospect No. 1

Stage I - Extend existing trench to southwest. Size of new cut about 80' x 15' x 6' deep.

5 hours, w/D-4 or equiv. bulldozer @ $10/hr $50.00

Prospect No. 2

Stage I - Clean out existing cut and extend it to the southwest. Size of new cut about 100' x 15' x 6' deep.

7 hours, w/D-4 or equiv. bulldozer @ $10/hr. 70.00

Stage II. If the pegmatite looks prosmising at either Prospect No. 1 or Prospect No. 2 or at both after completion of the trenching construct an access road, toolhouse and two magazines:

Access road (300 linear feet) 3 hours with D-4 bulldozer @ $10/hr.	$ 30.00	
Toolhouse	75.00	
Powder magazine	25.00	
Exploder "	13.00	$ 143.00

PROSPECT No. 1

Stage III Sink 40-foot incline 5' x 7' in cross-section on pegmatite (30 shifts) = 1½/shaft show

Labor:	
1 - Miner @ $1.50/hr.	360.00
1 - Hoistman @ $1.25/hr.	300.00
1 - Laborer @ $1.00/hr.	240.00
Equipment (rental)	
Compressor and drill @ $220/Mo.	330.00
Hoist @ $50/Mo.	75.00
Supplies:	
Explosives	50.00
Timber 4000 b. f. @ $60/M	240.00
Gasoline and oil	25.00
Drill steel	25.00

Supplies contd.

Small tools	75.00 ?	
Miscellaneous	25.00	
Insurance	37.00	
Social Security	18.00	$1,800.00

Drive 60 feet of drifts 5' x 7' in cross-section from 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	
Explosives	150.00	
Gasoline and oil	100.00	
Small tools & Pipe	75.00	
Miscellaneous	30.00	
Insurance	52.00	
Social Security	23.00	$2,100.00

PROSPECT NO. 2

Stage III	Sink 40-foot incline 5' x 7' in cross-section on pegmatite (30 shifts)	$1,800.00
	Drive 60 feet of drifts 5' x 7' in cross-section from the incline (30 shifts)	2,100.00

Total estimated Costs:
Stage I, II, and III — Grand Total..... $8,063.00

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

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

Docket File
Surname:

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

AUG 11 1955

Hpr
J Hkcoman
W Williams
Martin
Johnson

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

Subject: Docket No. DMEA-3930 - Mica
Howard Smith
Howard Smith Prospect
Avery County, North Carolina

Dear Mr. Laurence:

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

If your office recommends an exploration program approved by the applicant, please furnish the necessary information to draft a contract. In this connection, nine copies of a map showing the proposed work and mineralized exposures in relation to the property lines will be required.

Copies of memoranda from Mr. N. E. Nelson of the Geological Survey, dated August 4, 1955, and from Mr. W. F. Dietrich of the Bureau of Mines, dated August 9, 1955, are enclosed for your information.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JB)

Approved:

O. M. Bishop (JB)
Member, Bureau of Mines

/s/ W. P. Williams (JB)
Member, Geological Survey

Enclosures 4

JHopkins:pk 8/10/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

Docket File
Surname:
Hopkins
Bishop
Williams
Martin

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

AUG 11 1955

Mr. Howard Smith

Ingalls, North Carolina

Re: Docket No. DMEA-3930 - Mica
Howard Smith
Howard Smith Prospect
Avery County, North Carolina

Dear Mr. Smith:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:pk 8/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

RECEIVED
AUG - 9 1955

August 9, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 3930 (mica)

Applicant: Howard Smith

Name and Location of Property:

Date Application Rec'd. by Br. of Ceram. and Fert. Mtls.: August 2, 1955

Comments:

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

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

IN REPLY REFER TO:

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

RECEIVED
AUG - 5 1955

August 4, 1955

Re: DMEA 3930
Howard Smith
Howard Smith Prospect
Avery County, N. C.
$4,820.00 - Mica

Memorandum

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

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

Subject: Review of Application.

A staged program for this raw prospect should be considered. Stage I would consist of stripping with the bulldozer, Stage II, sinking a few feet or opencutting the pegmatite to obtain fresh faces, and Stage III finally drifting if the results of the Stages I and II work are favorable.

The costs set up for 100 feet of shaft and 50 feet of drifting are not quite in line with those of other jobs in the area.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

August 2, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA-3930 Howard Smith

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

August 2, 1955
Subject: DMEA-3930
Re: Exploration Assistance

Mr. Howard Smith
Ingalls, N.C.

Dear Mr. Smith:

The receipt of your application dated July 27, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3930 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

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

RECEIVED
AUG - 1 1955

July 29, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville, Tenn.

Subject: New Application from Howard Smith, Ingalls, N. C.
Howard Smith Property, Avery County, N. C. (mica)

Enclosed are three copies of the subject application, received here today, and six copies of a Consent to Lien. Apparently the applicant submitted the Consent to Lien forms because he alone is applying for aid but the land is jointly owned by himself and his wife. There is apparently no lease, and I assume that none is necessary in such circumstances - or is it? No!

We are keeping the fourth copy for use by our field men.

Robert A. Laurence

Robert A. Laurence

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
AUG - 1 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. 3930
Metal or Mineral Mica
Date Received 8-1-55
Estimated Cost $48.20
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: Howard Smith, Ingalls, 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.

RECEIVED
JUL 28 1955
Knoxville, Tenn.

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 See attached sheet.

(*b*) State any mine name by which the property is known. None. New Exploration.

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

(*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. Owner

(*e*) If you own the land, describe any liens or encumbrances on it None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

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

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

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

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. 8 miles from Spruce Pine, N. C.-US 19-E to Ingalls & 194 to Mine.

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

16—66551-1

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

(*c*) The work will start within 10 days and be completed within 120 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. 5 yrs.

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: Attached.

(*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)?

(*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 July 27, 1955

Howard Smith
(Applicant)

By

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
AUG - 1 1955

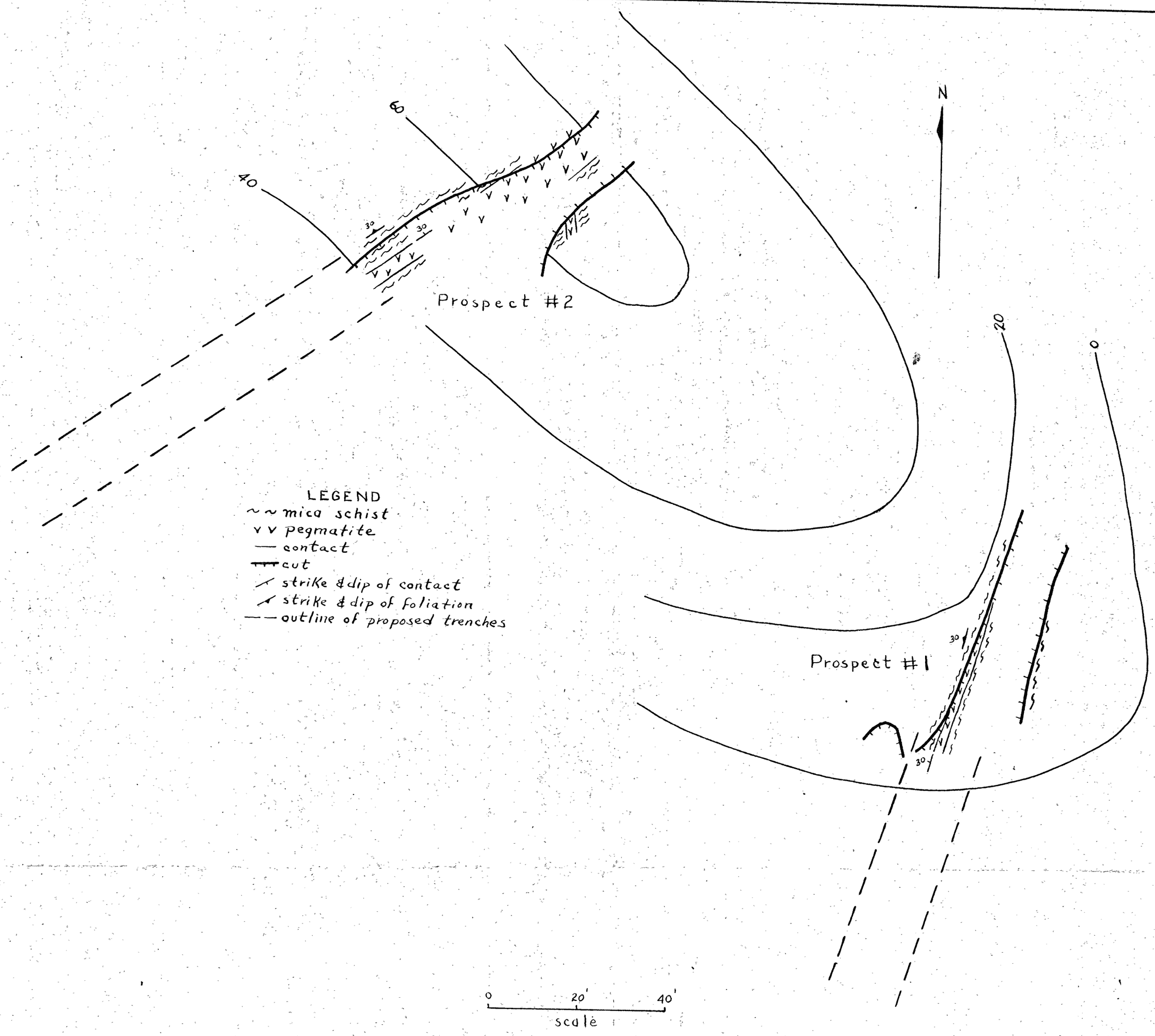
3(a) Adjoining the lands of Sam Ingram and others and BEGINNING on a locust standing in Sam Ingram's line and his corner and runs north 46 poles to a locust, an old corner; thence north 41 degrees east 47 poles to a stake, an old corner; thence south 12 degrees east 80 poles to a hickory; thence south 40 degrees east 101 poles to a maple; thence south 38 poles to a stake; thence south 65 degrees west 16 poles to a black gum, Howell's corner; thence with Howell's line north 35 degrees west 40 poles to a small chestnut oak; thence west 43 poles to a stake in Samuel Ingram's line; thence north 3½ degrees west 86 poles to a chestnut; thence west with Samuel Ingram's line 30 poles to the BEGINNING, and containing 40 acres, more or less.

4(a) Some bulldozing has been done on the lands and have obtained about 50 pounds of mica to date.
(b) No other past production. This mine is located near the Little Buck Hill Mine.

5(b) Desire to do some more bull dozing and then do about 100 feet of shafting and abput 50 feet of drifting.

6. Cost Estimates:

3 days bulldozing @ $100 per day	300.00
Jack Hammar & Drill rent @ $60 per mo. for 3 mos.	180.00
Compressor Rent for 3 mos. @ $100 per mo.	300.00
Hoist Rent for 3 mos. @ $40 per mo.	120.00
Explosives	300.00
Tool House	200.00
Gas & Oil	200.00
Piping	25.00
Steel	250.00
Tracking	175.00
Supplies	300.00
Pump rental @ $50 per mo. for 3 mos.	150.00
Labor-4 hands @ $1 per hr. 40 hrs, weekly for 12 weeks	1920.00
Contingencies	400.00
TOTAL----------	$4820.00

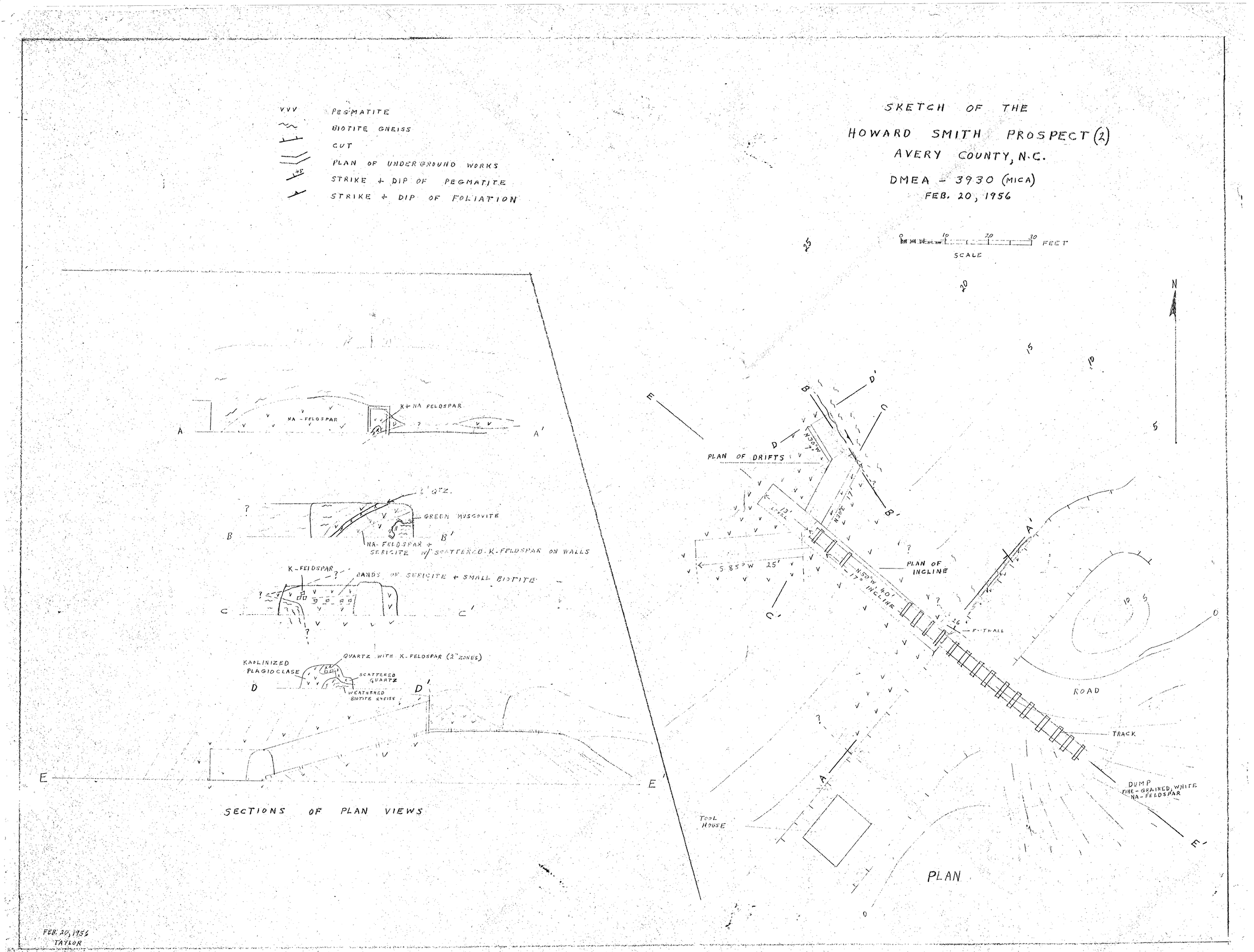


SKETCH OF
HOWARD SMITH PROSPECT
AVERY CO., N.C.

DMEA-3930 (mica)

SKETCH OF THE HOWARD SMITH PROSPECT (2)
AVERY COUNTY, N.C.

DMEA - 3930 (MICA)
FEB. 20, 1956



FEB. 20, 1956
TAYLOR