NORTH CAROLINA, ASHE COUNTY

The foregoing instrument, also the certificate of J. B. Hensley, a Notary Public of Ashe County

With his official seal attached, having been exhibited before me it is adjudged to be in due form and according to law. Therefore, let the same, with the certificate be registered.

This 12th day of Dec. 1955

P. V. Mitchell Clerk Superior Court

Per D. C.

Filed for registration at 9:00 o'clock A M., this 12 day of December, 1955 and registered in the office of the Register of Deeds for Ashe County, in Book T-3 Pages 203-204 1955

J. D. Hawkins Register of Deeds

by Beryl B. Cox, Depu

BLUE RIDGE PRTG. CO., JEFFERSON, N. C.

DMEA 4067

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 11-17-55

2. CONTRACT DATE 2-17-56

3. TERMINATION AGREEMENT: DATE

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

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Docket Copy

RECEIVED
MAR - 2 1956

MF-200A
(Revised June 1954)

Docket No. DMEA 4067

Commodity Mica

Contract No. Idm-E 920

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

It is agreed this FEB 17 1956 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] A. T. Garland and S. B. Lacey, Jr., partners, whose mailing address is Newland, North Carolina, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and map entitled "Johnson Mine, Ashe County, N. C. DMEA-4067 (Mica)"
The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

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

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] recorded in Book T-3, page 203-204, 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: Royalty interest as set forth in the lease

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before APR 1 1956 shall commence the work, and on or before August 30, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

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

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

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $6,816.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $5,112.00: *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.*—

Indexed 2/10/56
Stamped
"Appd. Sol. Off."
Anderson
Hook
Champion
Selfridge
Johnson

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

.....
(Operator)

By W. T. Garland (Partner)

By S. B. Lacey Jr. (Partner)

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

.....

[CORPORATE SEAL]

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

RECEIVED
MAR - 2 1956

EXPLORATION PROJECT CONTRACT
A. T. GARLAND and S. B. LACEY, JR.
DOCKET NO. DMRA-4067

ANNEX I

The land referred to in Article 2 of the Contract is known as the Johnson Mine. It is located 2.5 airline miles S 57° W from the intersection of Highways 194 and 221 at Baldwin in Ashe County, North Carolina, and is described as follows:

> A certain tract or parcel of land lying and being in Ashe County, North Carolina, to wit:
>
> Beginning on a stake in the center of a branch in the W. W. Goodman property; thence running South 86° 45' West 320 feet to a stake; thence North 1° 15' West 865 feet to a stake; thence North 86° 45' East 320 feet to a stake; thence South 1° 15' East 865 feet to the point of beginning, containing 10.32 acres.

RECEIVED

DEC 1 9 '5 ;

MF-203
Revised March 24, 1955

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

CONSENT TO LIEN

To the United States of America:

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

Beginning on a stake in the center of a branch in the W. W. Goodman property; thence running South 86° 45' West 520 feet to a stake; thence North 3° 15' West 865 feet to a stake; Thence North 86° 45' East 520 feet to a stake; Thence South 3° 15' East 865 feet to the point of beginning, containing 10.32 acres.

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 December 10, 1955, and recorded in book T-3 page s-203-204 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 _____ day of FEB 17 1956, 195__.

W. W. Goodman [Seal]

Frances Ellen Goodman [Seal]

W. M. Goodman [Seal]
Amy Goodman

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]

EXPLORATION PROJECT CONTRACT
A. T. OAKLAND and S. B. LACKY, JR.
DOCKET NO. DMRA-4067

Exhibit "A"

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "Johnson Mine, Ashe County, N. C. DMRA-4067 (Mica)," attached hereto and made a part hereof.

The work is divided into two stages as described below. The Operator shall complete Stage I, and shall perform as much of Stage II as the Government approves in writing.

Stage I

With a D-6 bulldozer or equivalent, cut a trench along the strike length of the pegmatite. This trench shall be 150 feet long by 20 feet wide by 15 feet deep.

Stage II

1. Construct:

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

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 bound 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 shall be securely locked with the equivalent of a 5-tumbler jerproof lock.

2. From the bottom of the trench at a point to be selected by the Government, sink a 2-compartment shaft or incline for a distance not to exceed 60 feet.

3. Explore the pegmatite by driving from the bottom or near the bottom of the shaft, not more than 100 feet of drifts and/or crosscuts.

The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber. All work shall be performed on the pegmatite or in as close proximity thereto as possible.

The location, extent, direction and inclination of all work shall be approved by the Government.

Fixed Unit Costs

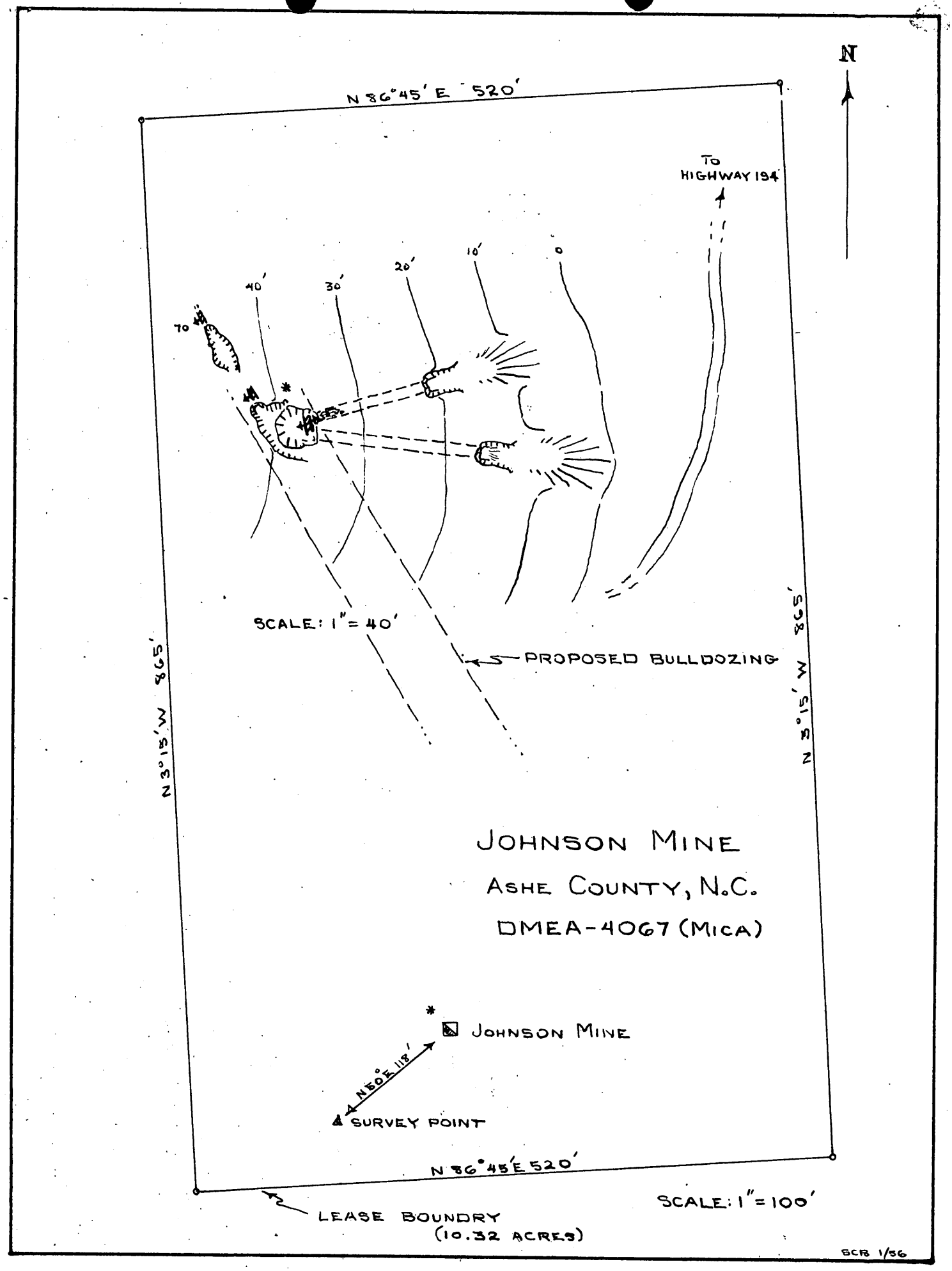
Stage I

Bulldozing trench - 1,666 cubic yards @ $0.30/cu. yd.	$ 500.00

Stage II

Constructing - Toolhouse 1/	76.00	
- Powder magazine 1/	85.00	
- Exploder magazine 1/	15.00	
Sinking 80 feet of shaft @$40.00/ft.	3,200.00	
Driving 100 feet of drifts and/or crosscuts @$30.00/ft.	3,000.00	
Estimated Total Cost of Project		$6,816.00
Government Participation @ 75%		$5,112.00

1/ The completed work constitutes the unit.


N
N 86°45' E 520'
TO HIGHWAY 194
70
40'
30'
20'
10'
0
SCALE: 1" = 40'
PROPOSED BULLDOZING
N 3°15' W 865'
N 3°15' W 865'
JOHNSON MINE
ASHE COUNTY, N.C.
DMEA-4067 (MICA)
JOHNSON MINE
N 50° E 118'
SURVEY POINT
N 86°45' E 520'
SCALE: 1" = 100'
LEASE BOUNDRY
(10.32 ACRES)
BCB 1/56

Form 7
56)

OFFICIAL FILE COPY

Date	Surname	Code
4/16	Anderson	600
4/17	Hooke	600
4-17	Chamblin	800
4/17	Selfridge	130
"	Johnson	110
"	Rutherford	100
4/24	C	110
		225

600

APR 18 1957

Mr. W. M. Goodman

West Jefferson, North Carolina

Re: Docket No. DMEA-4067-mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Ida-5920

Dear Mr. Goodman:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on February 17, 1956.

Sincerely yours,

D. O. Mittendorf (for)

Administrator

Enclosure

WCAnderson:ms 4/16/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V

To Field for Address & Mailing

8623

Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/16	Anderson	600
4/17	Hunt	600
4-17	Chamlin	800
4/17	Selfridge	130
"	Johnson	110
"	Mittendorf	100
4/24	C	220
		225

112

APR 18 1957

Mr. and Mrs. G. W. Goodman

West Jefferson, North Carolina

Re: Docket No. DMEA-4067-mine
A. T. Carland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-2920

Dear Mr. and Mrs. Goodman:

Enclosed are two copies of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on February 17, 1956.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures: 2

WCAnderson:ms 4/16/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V

To Fiebel - for Address & Mailing

8623

Form 7
-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/16	Anderson	600
4/17	Hoch	600
4/17	Chapman	800
4/17	Selfridge	130
"	Johnson	110
"	Mittendorf	100
4/24	C	220
		225

600

APR 18 1957

Mr. Kenny Goodman

West Jefferson, North Carolina

Re: Docket No. DHEA-4067-mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-2920

Dear Mr. Goodman:

Enclosed is a copy of a self-explanatory letter of today to the Operator under the above-cited contract.

This correspondence relates to the Consent to Lien signed by you on February 17, 1956.

Sincerely yours,

D. O. Mittendorf

Administrator

Enclosure

WCAnderson:ms 4/16/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V

To Field - for Address & Mailing

8623

LA Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/4	Anderson	600
4/4	Hook	600
4/4	Tafferty	800
4/5	Selfridge	130
4/17	[illegible]	110
"	Patterson	100
4/18	C	110
		225

600

APR 18 1957

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

Re: Docket No. DMEA-4067-mica
A. T. Garland and
S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-6920

Dear Mr. Laurence:

Enclosed are three letters to be forwarded to the signers of the Consent to Lien under the subject contract.

Kindly complete the addresses and forward, retaining your copies and returning our copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (WCB)

Approved:

Frank D. Lamb (WCB)
Member, Bureau of Mines

[illegible]r H. Kiilsgaard (WCB)
Member, Geological Survey

Enclosures: 3

WCAnderson:ms 4/3/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Operating Committee

8623

A Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	Anderson	600
3/26	Hoch	600
3-26	J Chambers	800
4/17	Bellinger	130
"	Johnson	110
"	Mittendorf	109
		220
		225

600

APR 18 1957

Messrs. A. T. Garland and
S. B. Lacey, Jr.
Newland, North Carolina

Lamb
Kiilsgaard

Re: Docket No. DMEA-4067-mica
A. T. Garland and
S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-E920

Gentlemen:

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

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

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

Sincerely yours,

D. O. Mittendorf

Administrator

WCAnderson:ms 3/26/57
Copy to: Docket
Admr. R. File
Mr. Chambers
Code 600
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V

W. W. Goodman
Frances Eller Goodman
W. M. Goodman
Kenny Goodman
) landowners

8623

A Form 7
2-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/26	Anderson	600
3/26	[illegible]	600
		800
		130
		110
		100
		220
		225

600

March 25, 1957

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-4067-mica
   Contract No. Idm-8920
   Johnson Mine
   Ashe County, North Carolina

   Application: Form MF-103(April, 1952) received November 17, 1955

   Work proposed by applicant:

   No details given and no amount requested

   Operator: A. T. Garland and S. B. Lacey, Jr., partners
   Newland, North Carolina

   Operators' Property Rights:
   Ten year lease on the Goodman property consisting of 10.32 acres, dated December 10,1955.
   Consent to Lien of Owner dated February 17, 1956.

2. Contract: Form MF-200A (June, 1954) dated February 17, 1956.

   Work Authorized:

   Stage I

Bulldozing	$ 500.00

   Stage II

Construction - toolhouse, powder and exploder magazines	116.00
80 feet of shaft @ $40/ft.	3,200.00
100 feet of drifts and/or crosscuts @ $30/ft.	3,000.00
Estimated total cost of project	$6,816.00
Government participation @ 75%	$5,112.00

8623

Amendments:

Work completed:

Stage I

Bulldozing	$500.00
Total accepted cost	$500.00
Government participation	$375.00

Stage II

Was not authorized

Work began on March 1, 1956 and ended March 12, 1956.
Field Team Final Report received April 30, 1956.
Operator's Final Report received April 11, 1956.

Subsequent to the work of the contract, the Operator has sunk a 40-foot shaft and drifted 30 feet. During this operation, ~~$6,995~~ worth of mica was produced for which royalties amounting to $69.96 have been paid. This represents the total production during the contract and up to October 4, 1956.

$1,399.20

3. Audit:

Report of Review issued April 12, 1956

Total accepted cost	$500.00
Government contribution	$375.00

4. Certification of Discovery - none issued

5. Comments:

How Conducted:

All of the work in which the Government participated was acceptable.

Operation:

Very little work done

Engineering:

The Operators' one and only report, serving also as a final report, was satisfactory.

Geological criteria upon which work was based:

1. Pegmatite - 2 or 3 pegmatites, main one 8 feet thick. Highly weathered and kaolinized. Only 35 feet along strike has been exposed. Enclosed in soft, weathered, biotite gneiss.

2. Mica - That seen was small, flat, unstained and bleached colorless by weathering.
3. Past production.

Criteria developed during project:

1. Pegmatite - 2 bodies (a) A feldspathic pegmatite lens, 40 feet long and 3 to 4 feet thick containing no mica, and (b) a small body emplaced in a small cylindrical structure.
2. Mica - No data in report, except "about 1000 pounds of good mica" recovered during the bulldozing operation.

Future possibilities:

The Field Team reports that no further exploration is warranted since no continuity can be inferred.

Recommendation:

The Field Team would not approve the Stage II operation because no pegmatite was exposed on the floor of the cut, through which to sink a shaft. Since no continuity could be inferred they recommended that the project not be certified. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and the Geological Survey concur.

Walter C. Anderson

WCAnderson:ms 3/25/57
Copy to: Docket
Admr. R. File
Code 600
Mr. Anderson

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

WASHINGTON 25, D.C.

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 11 1957

DATE	INITIALS	CODE
2/12	C	220
		225

February 7, 1957

Memorandum

To: Operating Committee - Washington

From: DM EA Field Team - Region V - Knoxville, Tenn.

Subject: DMEA-4067, Idm-E920-Mica. A. T. Garland & S. B. Lacey, Jr. Johnson Mine, Ashe County, North Carolina

Reference is made to your letter of January 28.

The $1,399.20 worth of mica, on which $69.96 was paid as royalty, appears to be all that was produced from this mine during the life of the project and up to October 4, 1956.

Please note that a new application (DMEA-4544) has been submitted for additional exploration at this mine. The Operators did some underground work, on their own, after termination of the contract and it was from this work that most of the mica sold was obtained. Mr. Shirley and Mr. Bergman visited the mine January 23 to make the field examination, but all the workings were flooded. They agreed to return and examine the mine when the Operator advises us that it is pumped out. Unless we get a different kind of weather than we have had for the past three weeks, that may not be done for quite a while.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA, REGION V

V. J. Lynch, Member
MINING ENGINEER
U. S. BUREAU OF MINES

7

600

OFFICIAL FILE COPY

Date	Surname	Code
1-23	Anderson	600
1/24	Houk	600
1-25	Chamberlin	300
1/25	Selfridge	130
"	Johnson	100
	Mottesley	100
1-28	C	220 225

JAN 28 1957

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

Re: Docket No. DMEA-4067-Mica
A. T. Carland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-E920

Dear Mr. Laurence:

Reference is made to your letter of June 13, 1956, to the Operators on sales of mica produced from the subject mine.

A total of $69.96 in royalties has been paid since that date. We wish to inquire if this royalty covers all the sales of mica production during the life of the project and up to October 4, 1956. If so, we will write a closing letter to the Operators.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

WCAnderson:gad 1/23/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

November 8, 1956

NOTE:

It is believed that the subject application and subsequent contract have been finalized by the unilateral termination sent by Mr. Laurence to the Operators.

Reopening the case should entail giving a new application number to this case if and when the applicant submits the new information.

L. G. Houk, Chief,
Nonmetallic Minerals Division

Docket Copy
Surname:

Hoyle F. Johnson

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

NOV - 8 1956

4067

Mr. S. B. Lacey, Jr.

Newland, North Carolina

Dear Mr. Lacey:

Reference is made to your letter of November 3, 1956, requesting that Contract No. Idm-E920, terminated at the end of Stage I, be reopened since your subsequent work has resulted in mica production valued at $1,300.00.

You will find enclosed five application forms; four of which are to be completed in detail. Please comment on the equipment at the mine giving age, capacity, condition, and present value. Provide a sketch showing the location of the 30-foot tunnel and the 40-foot shaft in relation to the bulldozer work performed under DMEA contract, and where you wish to do the new work. The Operators should express their willingness to assume the obligations incurred under Contract No. Idm-E920, which our records show to be $305.04, less any additional royalty paid to date. Please list all the sales of mica to the Depot by dates and any sales of scrap or punch. Please give in detail the answers to each of the sub-categories (a) to (h) asked in Question 6, Estimate of costs.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 9

LGHouk:gad 11/7/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

P.S. Your lease and map are returned herewith, as requested, together with the Consent to Lien and a portion of the application.

R.C.S.

4067

4

RECEIVED
NOV 6 1956
D.M.E.A.

Newland, North Carolina
November 3, 1956

Mr. Lawrence Houck
Defense Minerals Exploration ADM.
Washington 25, D. C.

Dear Mr. Houck:

Re: Johnson Mining Co.
Cert. Auth. No. EPS-4-1797A

The government approved 3 phases of work for the Johnson Mine and after the first phase we did not have enough pigmentation and the second phase of the project was cancelled. This was the digging of a shaft and tunnel.

We have gone ahead and dug a tunnel approximately 30 Ft.long and a 40 Ft. shaft at our own expense. In this process we sold approximately $1300 worth of mica and have a very rich vein which looks favorable. We feel if the project as set up originally could be completed, we would have a mine that would furnish the government with a high quality of mica as the mica we got out was very good. We feel that if the government inspector would return and check our mine again that he would reinstate our phases of work and help us to bear the expenses of going approximately 40 Ft. with a shaft and the tunnel that might be necessary.

We have been advised that you would be the person for us to contact in order to have this mine re-processed for a loan. We would appreciate your giving this matter your attention and if there should be other procedure that we need to do, we would appreciate hearing from you so that we might meet the necessary requirements.

We are enclosing copies of the papers that we furnished the government when this project was set up, and as this is the only set of papers we have left, we would appreciate your returning them to us after you have checked them as the government has a copy of these papers in the Knoxville office.

We did meet all the requirements that were necessary in the beginning.

Yours truly,

JOHNSON MINING COMPANY

S B Lacey Jr

S. B. Lacey, Jr.

SBLJr/pel

IN REPLY REFER TO:

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

RECEIVED
SEP 27 1956

September 26, 1956

Re: DMEA 4067, Idm-E920
Garland and Lacey
Johnson Mine
Ashe County, North Carolina
Approved: $6,816.00
Expended: $ 500.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report

The contract approved the expenditure of $6,816.00 on a work program consisting of bulldozing, sinking and drifting on a pegmatite credited with a production of $11,243.44 worth of mica. Only the bulldozing was done. The work revealed 2 or 3 'floating' pods of pegmatite. According to the operator about 1000 pounds of 'good mica' was taken from one small lense. No value is given the mica.

It is not easy to reconcile the findings of the bulldozing with the statements concerning previous work and production. Why a 70-foot shaft and from where the $11,243.44 worth of mica produced as late as 1952-53?

The examiners and the Field Team recommend that no certification be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

DOCKET COPY
Surname:
Houk
Johnson
Selfridge

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

CW

AUG 24 1956

Mr. Lewis Aldridge

Spruce Pine, North Carolina

Re: Docket No. DMEA-4067-mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-M920

Dear Mr. Aldridge:

Reference is made to your letter of August 14, 1956, requesting renewal of exploration work at the subject mine.

Please be advised that work was discontinued on the project after completion of Stage I of the contract, because further participation by the Government did not appear to be justified. Consequently, unless work performed subsequent to the DMEA project work exposed a strategic mica-bearing pegmatite, favorable consideration could not be given for further Government participation.

If you performed such work, however, in order to reactivate this project, it would be necessary that you file a new application giving complete information regarding this work and the pegmatite encountered.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 8/23/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Houk
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Admr. R. File

Copy [illegible] - Beulah

Suggested substitution for 2nd paragraph

Please be advised that work was discontinued on the project after completion of Stage I of the contract because further participation by the Government did not appear to be justified. Consequently, unless work performed subsequent to the DMEA project work exposed a strategic mica-bearing pegmatite, favorable consideration could not be given for further Government participation.

If you performed such work, however, in order to reactivate this project, it would be necessary that you file a new application giving complete information regarding this work and the pegmatite encountered.

Suggestion with respect to [illegible]

Please to admit that it would be discontinued on this project after completion of Stage I of the contract because further participation by the Government did not appear to be justified. Consequently, unless work performed subsequently to stage I [illegible] proved a strategic measure [illegible] consideration would be given for further Government participation.

If you prefer [illegible] however, in view of the uncertainty this project, it would be necessary to [illegible] a new application [illegible] complete [illegible] this work [illegible] the project [illegible]

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

DOCKET COPY
Surname:
Anderson
Houk

Mr. Louie Aldridge

Spruce Pine, North Carolina

Re: Docket No. DMEA-4067-mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-2920

Dear Mr. Aldridge:

Reference is made to your letter of August 14, 1956, requesting renewal of exploration work at the subject mine.

Please be advised that this project was terminated because the results under Stage I of the contract indicated that further work was not justified. Unless a strategic mica-bearing pegmatite has been exposed by work subsequent to the DMEA contract work, we are disposed not to consider another exploration project at this property.

Sincerely yours,

Administrator

WCAnderson:ms 8/22/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

RECEIVED
AUG 16 1956

Spruce Pine, N. C.
August 14, 1956

DMEA
U. S. A. Department of Interior
Washington 25, D. C.

Attention: Mr. Houlk

Re: DMEA 4067
Mica
Contract
IDM - E920

Dear Sir:

I have bought an interest in the mine covered by the above exploration project contract and we would like to get this contract, which was issued February 17, 1956, renewed. Would you please advise us the proper procedure necessary to renew this contract.

We assure you that upon renewal we will start work immediately and work the contract out as fast as possible.

Sincerely yours,

Lewie Aldridge

Lewie Aldridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 131 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUN 15 1956

June 13, 1956

Messrs. A. T. Garland and S. B. Lacey, Jr.

Newland, North Carolina

Re: DMEA-4067, Idm-E920 - Mica
Johnson Mine
Avery County, North Carolina

Dear Messrs. Garland and Lacey:

We have been advised that a sale of 9.27 lbs. of mica from the Johnson mine was made to the Spruce Pine depot on May 23, for $87.08.

Please note that Article 7b of the contract provides that royalty is due the Government on all minerals mined or produced from the land, regardless of any certification of discovery or development, from the date of the contract or until the lapse of 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.

Thus a royalty of 5% is due on all mica (sheet, punch, scrap, etc.) produced from the Johnson mine from February 17, 1956 to October 3, 1956 regardless of date of sale, or until $375.00 has been repaid, whichever occurs first. Therefore, please send me your check for $4.35, payable to the Defense Minerals Exploration Administration, accompanied by a copy of the sales slip, for the above sale. Payment on all future production of mica, within the limits stated above, should be made promptly upon receipt of settlement. It is my understanding that about 1000 lbs. of mica was recovered during the bulldozing.

Very truly yours,

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

RAL/mg
cc - Operating Committee (3)
Lynch
Shirley
files

RECEIVED
MAY 8 - 1956

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

May 8, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4067 (mica)

Applicant: A. T. Garland & S. B. Lacey, Jr.

Name and Location of Property: Johnson Mine, Ashe Co., N. C.

Contract Number: Idm-E 920

Date of Field Team Report: 4/26/56

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

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. This project was terminated upon completion of stage I.
2. No pegmatite outcropped on the floor of the cut. The only pegmatites exposed were on the walls of the cut and did not show any continuity.
3. Possibility for discovery of a worthwhile deposit of strategic mica is considered poor.
4. Expenditures -

Total approved	$6,816.00
Total cost	500.00
Gov't. share of the cost	375.00
Value of production during operation	400.00

Recommendation: I concur with the recommendation of the field team.

W. F. Dietrich

W. F. Dietrich

4067

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 5-7

Referred to:

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

Note comments in report regarding:

1. Finished — bust!

2.

3.

4.

nd take appropriate action.

- - - - - - - - -

tion taken by Division:

Robert E. Adams

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

April 26, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA Field Team Region V -

Subject: Final Field Team Report - DMEA-4067, Idm-E920, Avery Co., N.C.
A. T. Garland and S. B. Lacey, Jr. Newland, N. C.

Enclosed are four copies of the subject report with maps attached.

The Field Team agrees that certification should not be issued.

Robert A. Laurence
Robert A. Laurence

RECEIVED
APR 30 1956

Reviewed by
DMEA OPERATING COMMITTEE
5-4-56
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION V

On

DMEA-4067, JOHNSON MINE (mica) Ashe County, N. C.

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
5-4-56
(date).

April 26, 1956

FINAL REPORT
On

DMEA-4067, JOHNSON MINE (mica) Ashe County, N. C.

Operator: A. T. Garland and S. B. Lacey, Jr. Newland, North Carolina

Location: 2.9 airline miles S 57° W from the intersection of Highways 194 and 221 at Baldwin, Ashe County, N. C.

Summary

The project ended with Stage I. Two pods of feldspathic, mica-bearing pegmatites were cut through. No continuity can be inferred. No pegmatite is exposed in the floor of the cut. No further exploration is warranted. Certification of discovery is not recommended.

General

Work began under the contract March 1, 1956 and ended March 12, 1956. Stage I, bulldozing was completed. Stage II, was not authorized. No facilities were built. No equipment was purchased by the Government.

The last examination was made in the company of Mr. L. Daniels, Mr. A. T. Garland and Mr. Cremo Taylor, March 27, 1956.

The present workings consist of a large trench, 258 ft long, 25 ft wide, and 45 ft in maximum depth (see map).

A feldspathic pegmatite lens or pod was cut through by the bulldozing of Stage I. It was 40 ft long (in plane of cut), and about 3 to 4 ft in thickness. It is formed into a half-moon shaped body, which is turned up at each end. No continuity can be inferred. It outcrops in the cut only on the southwest wall. This pegmatite has an old caved audit in its thickest portion. The lower third of the trench is in schist and gneiss.

A small pegmatite body emplaced in a small synclinal structure exists in the southwest wall north of the larger body. About "1000 lbs. of good mica" was reported by Mr. L. Daniels at the time of the last examination to have been recovered during the bulldozing from the small pegmatite. No mica was recovered from the ~~new~~ large pegmatite.

Conclusions

Stage II was not recommended because of the total lack of pegmatite to sink on. No pegmatite ourcroped on the floor of the cut. The only pegmatites exposed were on the cut's walls, and they exhibited no continuity. No further exploration is warranted. It is recommended that the mine not be certified.

Expenditures:

(a)	Total approved	$6,816.00
(b)	Total cost of project	500.00
(c)	Government's share of cost	375.00
(d)	Government's share unexpended	4,737.00
(e)	Estimated value of production	400.00
(f)	Royalty paid	None

April 20, 1956

A. R. Taylor & S. C. Bergman
Geologists, U. S. G. S.

A. L. Peyton, Mining Engineer
Bureau of Mines

z

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

March 27, 1956

RECEIVED
MAR 29 1956

Mr. A. T. Garland

Newland, North Carolina

Re; DMEA-4067, Idm-E920-Mica
Johnson Mine, Ashe County, N. C.

Dear Mr. Garland:

The DMEA field examiners phoned me on the morning of March 14, to advise that Stage I of the contract had been completed and that most of the pegmatite had been removed by the bulldozer. When the field examiners returned to the office they verified that statement in their interim report on progress of the project.

Under these circumstances we cannot approve Stage II of the contract.

We are sorry if this has caused you any inconvenience.

Very truly yours,

V. J. Lynch, Member
DMEA Field Team, Region V

VJL/xm
cc:
Opr. Com.-2
Lynch
Shimlem

4067

COMMISSION ON INTERNAL [illegible]

Date 3/26

Referred to:

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

Note comments in report regarding:

1. Stay II not recommended
2. by Field Team
3.
4.

and take appropriate action.

- - - - - -

Action taken by Division:

Initials

INTERIM REPORT

DMEA-4067, Idm-E920 (mica) JOHNSON MINE

Operator: A. T. Garland, Newland, North Carolina

Location: 2.9 airline miles S 57° W from the intersection highways 194 and 221 at Baldwin, Ashe County, N. C.

Stage I is complete. The buldozer trench cut under Stage I disclosed a lenticular pegmatite about 3 feet thick and 40 feet long, pinching out at both ends. T he lower third of the trench is in schist showing no indication of pegmatite.

The Field Examiners do not recommend any Stage II work since most of the pegmatite was cut out by mining and bulldozing.

The Operator was instructed not to start Stage II of this contract.

Inspected: March 13, 1956.

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

A. R. Taylor

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

Z

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

RECEIVED
MAR 19 1956

March 14, 1956

Mr. A. T. Harland and S. B. Lacey

Newland, North Carolina

Re: DMEA-4067, Idm-E920 - Mica
Johnson Mine, Ashe County, N.C.

Gentlemen:

This is to advise you that Stage II of the contract Idm-E920, Johnson Mine, Ashe County, N. C., will not be authorized.

Trenching completed in Stage I of the contract failed to reveal sufficient pegmatite to warrant further exploration.

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

MAL/sm

Lynch
Shirley
Mr. Lacey
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 85 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
MAR - 2 1956

February 29, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Signed contract - Idm-E920, DMEA-4067, A. T. Garland and S. B. Lacey, Jr. Newland, N. C.

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

Robert A. Laurence

Robert A. Laurence

DOCKET COPY
Surname:
Anderson
Houk
Chandler
Selfridge
JHJohnson

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

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

FEB 17 1956

Re: Docket No. DMEA-4067-Mica
A.T.Garland and S.B.Lacey, Jr.
Johnson Mine
Ashe County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I, Consent to Lien, "Exhibit A" and map of the Johnson Mine. Two extra copies of "Exhibit A" are enclosed for the use of the Field Team.

If the proposed contract meets with your approval, present it to the Applicants for execution. Please explain to the Applicants that the contract is a firm commitment to complete the work outlined at the agreed cost. Copies of the executed contract are to be distributed in the usual manner.

If any part of this proposed contract does not have either your approval or that of the Applicants and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of "Exhibit A" are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated January 16 and 25, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures: 12

WCAnderson:ms 2/15/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.C.S.

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

RECEIVED
FEB 16 1956

February 14, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer - DMEA Field Team, Region V

Subject: Docket No. 4067, Johnson Mine-mica. Ashe County, North Carolina

Reference is made to your letter of February 10, requesting information on equipment owned by the applicants.

The capacity of the Ingersoll-Rand Compressor is 125 cu. ft. per minute.

The compressor, jackhammer and hoist to be used on this project are comparatively new, having been used about 4 months.

As all the equipment is in good condition, the cost of maintenance and repairs should be low during the next few months. We estimate that a total of $150.00 for these items would be sufficient for this project.

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:

Houk
Selfridge
Johnson
Mattenson

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

FEB 10 1956

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

Subject: Docket No. DMEA-4067 - Mica
A.T.Garland and S.B.Lacey, Jr.
Johnson Mine
Ashe County, North Carolina

Dear Mr. Laurence:

Reference is made to our letter of January 20, 1956, requesting information on equipment owned by the applicants.

At the first opportunity please have the field engineers determine the capacity of the compressor and give us a cost estimate for maintenance and repair of all the equipment to be used. In the absence of definite information from the Field Team, we have set up the pump on a rental basis of $20.00 per month.

Please instruct the examining engineers when making future field examinations to list all the equipment on the property commenting on the condition, capacity, age, make, and fair market value.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

LGHouk:gad 2/10/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

G.C.S.

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

RECEIVED
FEB - 9 1956

February 7, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4067 (mica) A. B. Garland and S. B. Lacey
Johnson Mine, Ashe County, N. C.

Reference is made to your letter of January 20.

On February 3, the applicant wrote as follows: " We have everything paid for except the air compressor and the jack hammer. The air compressor and jack hammer cost approximately $400.00 of which we owe $2045.00. We are paying $215.00 per month on this amount. The cost of the hoist was $850.00."

This equipment was bought new for the work at the Lawhern Mine (DMEA-3726) and is therefore about 14 months old. On the basis of a 5-year life, depreciation allowances would be:

Compressor and drill	$73.33 per month
Hoist	$14.17 per month

We suggest using these allowances in the contract. This makes no provision for payments under the rental-purchase plan, but if these figures are used, it will avoid the difficult problem of determining the Government's equity at the end of the job.

An alternative would be to allow the $215.00 per month for the payments on the compressor and jackhammer, and at the end of the 4 1/2 months period of the contract, the Government's equity could be considered as three-fourths of 4 1/4 times the difference between $215.00 and $73.33, or $451.57 which would have to be refunded by the Operator at the end of the contract. The first method seems much simpler, and we recommend it.

We have been unable to obtain any information as to the value of the applicant's pump.

V. J. Lynch, Member
Bureau of Mines

Robert A. Laurence
Executive Officer, DMEA

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

RECEIVED
JAN 26 1956

January 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4067 (mica) A. B. Garland & S. B. Lacey, Ashe County, North Carolina.

Reference is made to your letter of December 13.

The equipment referred to is apparently the same as that used by the applicant at the Lawhern Mine (DMEA-3726, Idm-E813). In that application, the applicant stated that he was buying this equipment on a rental-purchase basis, paying $242.00 per month for the compressor and $100.00 per month for the hoist. Accordingly, we proposed monthly allowance of $220.00 per month for the compressor and drill, and $50.00 per month for the hoist - using lower figures than the actual installment payment to allow for the Government's equity. These figures were evidently used in figuring the unit costs for the short form contract, which was executed, and the job was terminated October 26. Therefore, in figuring the present application, we assumed that the same basis would be satisfactory, and it is our opinion that it would be. However, we have asked the field examiners to inspect the equipment on their next trip to North Carolina. We will again advise you after they report to us.

V. J. Lynch, Member
Bureau of Mines

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

A

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

RECEIVED
JAN 25 1956

January 25, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 4067 (mica)

Applicant: A. T. Garland and S. B. Lacey, Jr.

Name and Location of Property: Johnson Mine, Ashe Co., N. C.

Date of Field Team Report: 12/13/1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 1/23/56

Field Team Recommendation: Recommend a two-stage unit cost exploration program.

Comments:

1. The Johnson Mine produced about 803 pounds of strategic mica valued at $11,243.44 during 1952-53.

2. The proposed program of exploration will determine value of ground in mine that previously has been reported as a producer of mica.

3. Total estimated costs are in the amount of $7,045.00

Recommendation:

I concur with the recommendations of the field team for a two-stage unit cost exploration program.

W. F. Dietrich

W. F. Dietrich

Docket Copy
Surname:
Anderson
Houk
Selfridge
Johnson
Mottendorf

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

JAN 20 1956

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

Subject: Docket No. DMEA-4067 - Mica
A.T.Garland and S.B.Lacey,Jr.
Johnson Mine
Ashe County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team Report of December 13, 1955, on examination of the subject mine.

We note under "Estimated Costs" that allowance has been made for equipment rental at the usual rates. However, the applicants report they will furnish the compressor, jackhammer, and hoist. In this case we should allow a depreciation at the rate of 1/60 of the market value of the equipment per month.

Please have the field engineers evaluate the equipment owned by the applicants. They should comment on the condition of the equipment, the capacity, approximate age, make, present market value, and give a separate cost estimate for maintenance and repair.

When the above information has been received we will prepare a short form contract.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SHB)

Approved:

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

Thor H. Kiilsgaard (SHB)
Member, Geological Survey

LGHouk:WCAnderson:gad 1/20/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.G.

A

IN REPLY REFER TO:

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

RECEIVED
JAN 17 1956

January 16, 1956

Re: DMEA 4067
Garland and Lacey
Johnson Mine
Ashe County, N. C.
$7,045.00 - 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 applicants requested assistance in exploring by bulldozing, shaft and drifting, a pegmatite from which, during 1952-53, 803 pounds of strategic mica valued at $11,243.44 was recovered. No reasons are given for cessation of work.

From appearances the mining was confined to a 35-foot strike length of the pegmatite and a 70-foot shaft.

Because of the limited work done and the production, the examiners recommend further work as:--

Stage I,	Bulldozing	$ 500.00
Stage II,	Sinking	3,190.00
	Drifting	3,240.00
	Tool house, etc.	115.00
	Total	$7,045.00

For the work done the production is not impressive, but the stage work, certainly the bulldozing, appears warranted.

I concur with the recommendation of the examiners and the Field Team that the application be accepted.

N. E. Nelson

N. E. Nelson

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

January 6, 1956

RECEIVED
JAN 9 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: Field Examination Report, DMEA-4067 (mica) A. T. Garland and S. B. Lacey, Jr. Newland, N. C. Johnson Mine, Ashe County, N. C.

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

The available information suggests that an exploration project is justifiable and we recommend approval of a two-stage, unit-cost (short-form) contract.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
1-18-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
JAN 9 1956

EXAMINATION REPORT BY FIELD TEAM, REGION V

On

DMEA-4067, JOHNSON MINE
(mica)
Ashe County, North Carolina

By

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

and

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

December 13, 1955

Reviewed by
DMEA OPERATING COMMITTEE
1-13-56
(date)

FIELD EXAMINATION REPORT

DMEA-4067 (mica) JOHNSON MINE

Applicants: A. T. Garland and S. B. Lacey, Jr., Newland, N. C.

The Johnson mine operated by J. R. McKinney and sam produced approximately 803 pounds of strategic mica valued at $11,243.44 during 1952-53. The mined area probably explored the strike length of the pegmatite zone for no more than 35 feet. Because of limited known mine area and valuable past production, it is recommended that a two stage program be set up to explore the strike length projection for additional productive pegmatite.

The prospect is located 2.9 airline miles S. 57° W. from the intersection of Highway 194 and 221 at Baldwin in Ashe County, North Carolina. During the examination, the field examiners were accompanied by the applicants Mr. A. T. Garland and Mr. S. B. Lacey, Jr. along with Mr. Linzey Daniels. All but Mr. Lacey have been associated in the past with DMEA projects which have been competently executed.

Old workings consist of two intersecting adits terminated in a pegmatite zone in a partially caved shaft and a 35-foot drift. The 12' x 12' shaft has a reported depth of 70 feet. Several short 6 - 10-foot adits have explored pegmatite zones locally along strike, just up slope from the shaft. From the attitude of three pegmatite exposures examined, there is a possibility that two or three parallel pegmatites exist as a fairly wide zone rather than a single structure. The main zone cut in the lower adits is approximately 8 feet thick and strikes N. 5° W. 85 - 90° NE. The two zones cut up slope from the shaft and 30-40 feet above the adits, have an attitude of N. 30° W. 70-90° SW.

The pegmatites are highly weathered mixtures of kaolinized plagioclase, potash feldspar and disseminated quartz. Very little mica was seen in place, but abundant scrap mica is in the dump. It was reported that the dump had been worked several times for scrap mica. The mica that was seen was small, flat, unstained and bleached colorless by weathering. The pegmatites are conformably enclosed in an extremely soft, weathered, dark reddish brown biotite gneiss.

The field examiners recommend a stage program. It is recommended that preliminary bulldozing be done to pick up strike length extensions of the pegmatite zone, also to expose the size, character and attitude of zones. The second stage should consist of 80 feet of incline or shaft, and 100 feet of drift and/or crosscut.

Flexibility of the contract in regard to drifting is recommended, because of the possibility of a wide series of zones rather than a singular unit.

Estimated costs are as follows:

Stage I

Bulldozing to pick up strike length extensions of the pegmatite zone -
1 - Logitudinal trench 150' x 20' x 15'
1666 cu. yds. @ 30¢ cu. yd. $500.00

Stage II

Toolhouse	75.00
Powder magazine	25.00
Exploder magazine	15.00

Sink 80 ft. of incline or shaft (45 shifts)

1.77 ft/shift

Labor:

1 - Miner @ $1.50/hr.	$540.00
1 - Hoistman @ 1.25/hr.	450.00
1 - Laborer @ $1.00/hr.	360.00

16.87/ft.

Equipment (rental) ? Use allowance

Maintenance + repair 1.80 ft @ 2.80 48.00

Compressor and drill @ $230/Mo.	460.00
Hoist @ $50/Mo.	100.00
Pump @ $20/Mo.	~~40.00~~

use allowance
use allowance
Rental

66.00 110/mo.

248.
45

Supplies:

Explosives	240.00
Drill steel - 80 ft @ $1.60/ft.	~~135.00~~
Timber, 2500 b.f. @ $65/M-plus installation	320.00
Small tools, pipe, etc.	160.00
Miscellaneous	205.00
Insurance	120.00
Social Security	25.00
Sales tax	35.00

3.00 - average
128.00 - 1.60 - below average
4.00 - high
2.00 - average
2.56 - above average
2.05 - average

~~$3190.00~~

Omitted gas + oil - 2.00/ft $160.00

Estimated cost of sinking $3,190.00

39.

2871.00 36/ft.

Drive 100 feet of drift and/or crosscut (40 shifts)

Labor:

1 - Miner @ $1.50/hr.	480.00
1 - Hoistman @ $1.25/hr.	400.00
2 - Laborers @ $1.00/hr.	640.00

15.20/ft.

Drill steel
1.60/ft. sink
1.30/ft. drift

Equipment (rental)

Compressor, drill and jackleg @ $250/Mo.	$500.00
Hoist @ $50/Mo.	100.00
Pump @ $20/Mo.	40.00

Supplies:

Explosives	300.00
Drill steel	110.00
Gasoline and oil	180.00
Small tools, pipe, etc.	110.00
Miscellaneous	145.00
Insurance	150.00
Social Security	30.00
Sales tax	25.00

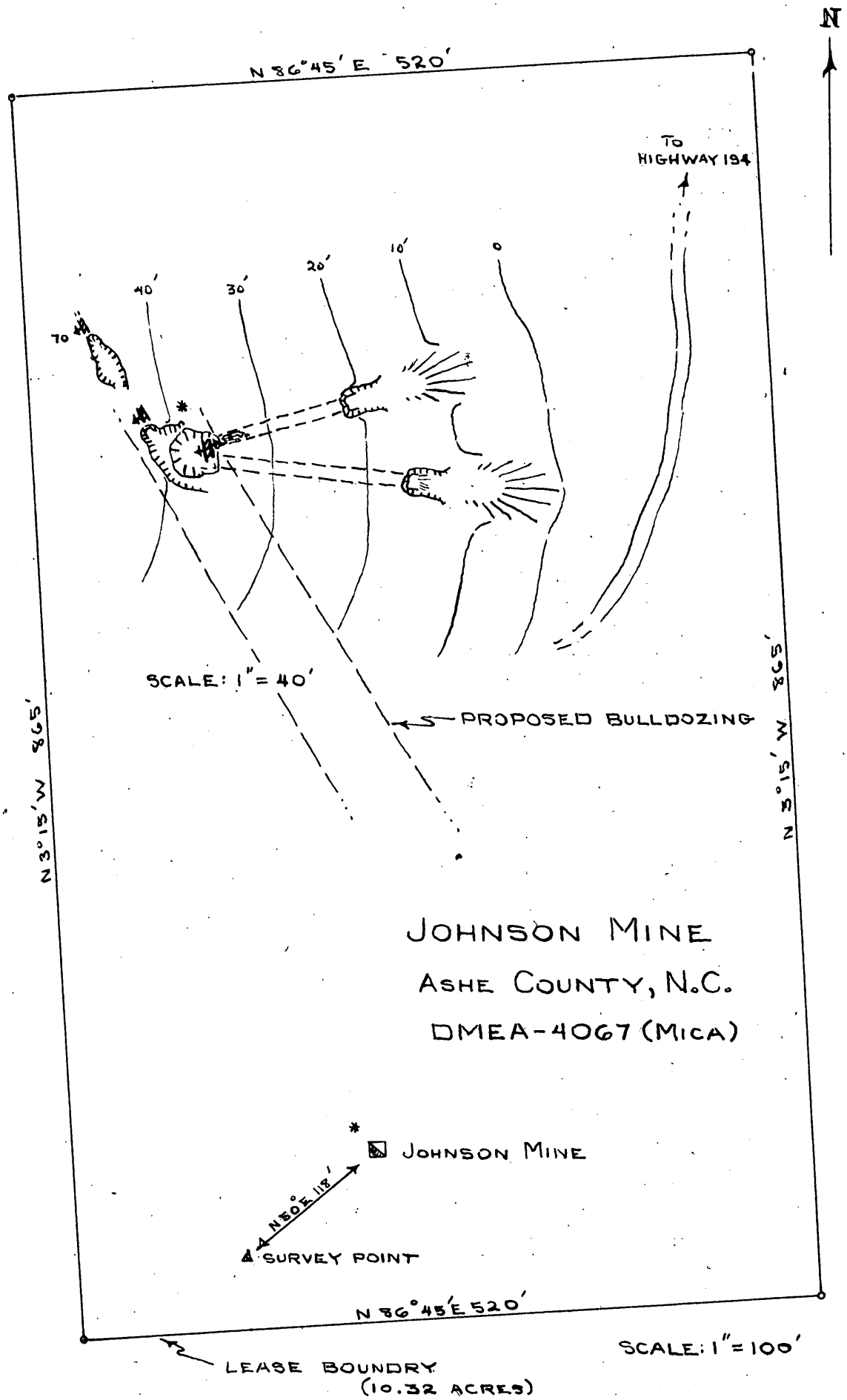
Total estimated cost of drifting	$3,240.00
Total estimated cost of Stage II	$6,545.00
Total estimated cost of Stages I and II	$7,045.00

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

and

L. E. Shirley, Mining Engineer
Bureau of Mines

Inspected: December 13, 1955.


N
N 86°45' E 520'
TO HIGHWAY 194
70
40'
30'
20'
10'
0
SCALE: 1" = 40'
PROPOSED BULLDOZING
N 3°15' W 865'
N 3°15' W 865'
JOHNSON MINE
ASHE COUNTY, N.C.
DMEA-4067 (MICA)
JOHNSON MINE
N 50° E 118'
SURVEY POINT
N 86°45' E 520'
SCALE: 1" = 100'
LEASE BOUNDRY
(10.32 ACRES)

SCB 1/56

RECEIVED
DEC 19 1955

Newland, North Carolina
December 16, 1955

U. S. Dept. of the Interior
Defense Minerals Administration
Washington 25, D. C.

Gentlemen:

Re: Docket No. DMEA-4067 - Mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina

Enclosed you will find the information and corrections asked for in your letter of December 7, 1955. I hope you will find these papers in order as we have tried to furnish the information for which you asked. and letter dated Nov. 30th

Yours truly,

S. B. Lacey, Jr.

A. T. Garland

SBLJr/pel

4. Physical Description

This mine was mined about 2 years ago and known as the Johnson Mine in Ashe County. There was a shaft about 70 Ft. deep which has fallen in; also a tunnel about 50 Ft. This work was done by Jesse McKinney, Bakersville, North Carolina, in which we had no interest.

This mine is about 300 yards off the hard surfaced road. It is very easy to get to and is approximately 65 miles from the Government Depot in Spruce Pine, North Carolina.

We have 3 experienced miners to run the mine. We also have a practically new Ingersoll Rand Air Compressor, Jackhammer, and Hoist. There is water close by.

5. The Exploration Project

Work will start immediately after examination by government inspector. Work will be completed 6 months from date of exploration.

We have mined various times in the past 20 years, and we also have 3 well-experienced miners to work the mine. We plan to bulldoze a strip on the strike 150 ft. long by 50 ft. wide, 40 ft. deep, and after this work is completed, we plan to sink a shaft 80 Ft. then approximately 100 Ft. level work. Our plan will call for the following labor:

1 Head miner 160 Hrs. a month @ $1.50 an hr. for 6 mos.	$1,440
1 Hoist operator 160 Hrs. a mo. @ $1.25 an hr. for 6 mos.	1,200
2 Laborers 160 hrs. a month @ $1.00 an hr. for 6 mos.	1,920
	$ 4,660

6. Estimate of Costs

Machinery Cost for 6 mos. (Compressor, jackhammer, hoist, etc.)	$1,548
Bulldozing Cost listed in the above exploration project	750
Shaft 80 Ft. deep and timbered @ $50 a foot	4,000
100 Ft. level tunnel @ $45 a foot	4,500
Tool house	150
Dynamite magazine	25
1 Four Ft. steel	18
1 Two Ft. steel	16
Workmen's Compensation 4 men Plus dozer	500
	$11,507

NORTH CAROLINA
ASHE COUNTY

§
§

MINING LEASE

THIS MINING LEASE, MADE AND ENTERED INTO THIS 10th DAY OF DECEMBER, 1955, BY AND BETWEEN W. W. GOODMAN AND WIFE, FRANCES ELLER GOODMAN; W. M. GOODMAN; AND KENNY GOODMAN, HEREINAFTER CALLED LESSORS; AND S. B. LACEY, JR. AND A. T. GARLAND, HEREINAFTER CALLED LESSEES;

WITNESSETH:

THAT THE LESSORS, FOR AND IN CONSIDERATION OF THE PERFORMANCE OF THE CONDITIONS AND AGREEMENTS AND THE PAYMENT OF ROYALTIES AS HEREINAFTER SET FORTH, HAVE LET AND LEASED UNTO THE LESSEES, THEIR HEIRS AND ASSIGNS, THE EXCLUSIVE RIGHT AND PRIVILEGE TO MINE, DIG, MILL, PROCESS, AND REMOVE ALL MINERALS, ORES, CLAYS, EARTHS, AND STONES, AND ESPECIALLY MICA, NOW IN, UNDER, OR UPON A CERTAIN TRACT OR PARCEL OF LAND LYING AND BEING IN ASHE COUNTY, NORTH CAROLINA, AND MORE PARTICULARLY DESCRIBED AND BOUNDED AS FOLLOWS:

BEGINNING ON A STAKE IN THE CENTER OF A BRANCH IN THE W. W. GOODMAN PROPERTY; THENCE RUNNING SOUTH 86° 45' WEST 520 FEET TO A STAKE; THENCE NORTH 3° 15' WEST 865 FEET TO A STAKE; THENCE NORTH 86° 45' EAST 520 FEET TO A STAKE; THENCE SOUTH 3° 15' EAST 865 FEET TO THE POINT OF BEGINNING, CONTAINING 10.32 ACRES.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

-1-

THIS LEASE SHALL BEGIN AS OF THE DATE HEREOF AND SHALL BE AND REMAIN IN FULL FORCE AND EFFECT FOR A PERIOD OF TEN (10) YEARS FROM THIS DATE, UNLESS SOONER TERMINATED AS HEREINAFTER PROVIDED.

IF THE LESSEES SHOULD, FOR ANY CAUSE WHATEVER, FAIL FOR A PERIOD OF NINETY (90) DAYS AT ANY ONE TIME TO CONDUCT MINING OPERATIONS UPON SAID PREMISES IN A WORKMANLIKE MANNER, WEATHER PERMITTING, USING PROPER AND SUFFICIENT MACHINERY, TOOLS, EQUIPMENT, AND LABOR, THEN AND IN THAT EVENT THIS LEASE SHALL

LAW OFFICES
TOBY ANNOY, JR.
N. C.

AUTOMATICALLY AND IMMEDIATELY TERMINATE AND BE OF NO FURTHER FORCE AND EFFECT (EXCEPT THE LESSEES SHALL AND HEREBY EXPRESSLY AGREE TO PAY ALL ROYALTIES OR AMOUNTS DUE UNDER THIS LEASE AT THE TIME OF SUCH TERMINATION), AND UPON THE TERMINATION OF THIS LEASE, THE LESSORS SHALL HAVE THE RIGHT TO RE-ENTER AND TAKE POSSESSION OF THE PREMISES WITHOUT FURTHER NOTICE TO THE LESSEES.

-2-

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE LESSEES SHALL BEGIN THE MINING OPERATIONS UPON THE DEMISED PREMISES AS SOON AFTER THE DATE HEREOF AS IS PRACTICABLE.

-3-

THE LESSEES SHALL HAVE THE EXCLUSIVE RIGHT AND PRIVILEGE TO ENTER UPON SAID PREMISES AND SEARCH FOR, DIG FOR, OBTAIN AND REMOVE MICA AND ANY AND ALL OTHER MINERALS WHICH MAY BE IN, UNDER, OR UPON THE DEMISED PREMISES, AND IN SO DOING THE LESSEES MAY USE A BULLDOZER AND ANY OTHER EQUIPMENT, REASONABLY NECESSARY FOR THE PURPOSES HEREIN STATED. IT IS EXPRESSLY AGREED THAT THE LESSEES SHALL HAVE THE RIGHT TO ENGAGE IN STRIP MINING UPON THE DEMISED PREMISES.

-4-

THE LESSEES SHALL HAVE A RIGHT OF INGRESS AND EGRESS OVER THE OTHER LANDS OF THE LESSORS TO THE EXTENT THAT MAY BE NECESSARY TO PROFITABLY CONDUCT SAID MINING OPERATIONS. THE LESSEES SHALL HAVE THE RIGHT TO USE ANY EXISTING ROADS AND WAYS ON THE LANDS OF SAID OWNERS AND TO WIDEN OR OTHERWISE IMPROVE THE SAME.

-5-

THE LESSEES SHALL HAVE THE RIGHT TO CUT AND USE SO MUCH OF THE TIMBER STANDING UPON THE DEMISED PREMISES AS IS OR MAY BE NECESSARY FOR THE PROPER CONDUCT OF SAID MINING OPERATIONS.

-6-

THE LESSEES SHALL USE SUFFICIENT MACHINERY, EQUIPMENT, TOOLS, APPLIANCES, AND LABOR SO AS TO CONDUCT MINING OPERATIONS UPON SAID PREMISES IN A WORKMANLIKE MANNER AND THE FAILURE TO DO

LAW OFFICES
WADE E. VANNOY, JR.
WEST JEFFERSON, N. C.

THE LESSEES SHALL ALSO AT ANY TIME UPON THE REQUEST OF THE LESSORS FURNISH AND EXHIBIT THE RECORDS AND BOOKS OF THE LESSEES AS TO ALL MINERALS MINED AND REMOVED FROM SAID PREMISES.

-9-

THE LESSEES AGREE NOT TO USE THE DEMISED PREMISES FOR ANY ILLEGAL OR UNLAWFUL PURPOSES.

-10-

THIS LEASE SHALL NOT BE TRANSFERRED OR ASSIGNED WITHOUT THE WRITTEN CONSENT OF THE LESSORS.

-11-

THE LESSORS COVENANT TO AND WITH THE LESSEES, THEIR HEIRS AND ASSIGNS, THAT THEY HAVE A RIGHT TO EXECUTE THIS LEASE UPON THE TERMS HEREIN CONTAINED; THAT THE PREMISES ARE FREE AND CLEAR FROM ALL ENCUMBRANCES; AND THAT THEY WILL FOREVER WARRANT AND DEFEND THE TITLE TO THE SAME AGAINST THE CLAIMS OF ALL PERSONS WHOMSOEVER.

IN TESTIMONY WHEREOF, THE SAID LESSORS AND THE SAID LESSEES HAVE HEREUNTO SET THEIR HANDS AND SEALS THE DAY AND YEAR FIRST ABOVE WRITTEN.

W. H. Goodman (SEAL)

Frances Eller Goodman (SEAL)

W M Goodman (SEAL)

Kenny Goodman (SEAL)
LESSORS

S B Lacey Jr (SEAL)

W. T. Farland (SEAL)
LESSEES

LAW OFFICES
WADE E. VANNOY, JR.
WEST JEFFERSON, N. C.

NORTH CAROLINA
ASHE COUNTY

I, J. B. Hurley, NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, DO HEREBY CERTIFY THAT W. W. GOODMAN AND WIFE, FRANCES ELLER GOODMAN; W. M. GOODMAN; KENNY GOODMAN, AND S. B. LACEY, JR., PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE DUE EXECUTION OF THE FOREGOING MINING LEASE FOR THE PURPOSES THEREIN STATED.

WITNESS MY HAND AND NOTARIAL SEAL THIS 10 DAY OF DECEMBER, 1955.

J. B. Hurley
NOTARY PUBLIC

MY COMMISSION EXPIRES:
1-14-57

NORTH CAROLINA
Ashe COUNTY

I, J. B. Hurley, NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE, DO HEREBY CERTIFY THAT A. T. GARLAND PERSONALLY APPEARED BEFORE ME THIS DAY AND ACKNOWLEDGED THE DUE EXECUTION OF THE FOREGOING MINING LEASE FOR THE PURPOSES THEREIN STATED.

WITNESS MY HAND AND NOTARIAL SEAL THIS 10 DAY OF DECEMBER, 1955.

J. B. Hurley
NOTARY PUBLIC

MY COMMISSION EXPIRES:
1-14-57

LAW OFFICES
WADE E. VANNOY, JR.
WEST JEFFERSON, N. C.

RECEIVED
DEC 1 9 1955

NORTH CAROLINA
ASHE COUNTY

W. W. GOODMAN AND WIFE, FRANCES ELLER GOODMAN, W. M. GOODMAN: AND KENNY GOODMAN,

LESSORS

-AND-

S. B. LACEY, JR. AND A. T. GARLAND,

LESSEES

MINING LEASE

LAW OFFICE
WADE E. VANNOY, JR.
WEST JEFFERSON, N. C.

Docket Copy
Surname:
Anderson
Houk
Kiilsgaard
Selfridge
Geehan
Johnson

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

DEC - 7 1955

Messrs. A. T. Garland and
S. B. Lacey, Jr.
Newland, North Carolina

Re: Docket No. DMEA-4067 - Mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina

Gentlemen:

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

In our letter of November 30, 1955, we advised you that the land area under the lease was too small, and requested that you submit a new lease and Consent to Lien covering at least ten acres. We are returning herewith the lease and five copies of the Consent to Lien attached to your application, since we have no further use for them.

Before your application can be processed by this office, it will be necessary for you to furnish more definite information under Items 5 (b) and 6 of the application form. Please furnish the details and a sketch or map of your proposed plan to explore the property and include a detailed estimate of the costs of the proposed work.

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,

H. D. Wittenborn
(by EST)

Administrator

Enclosures 6
WCAnderson:gad 12/6/55
Copy to: Admr. R. File — Docket
Mr. Dietrich,3061 — Field Team, Region V
Mr. Kiilsgaard,5222 — Operating Committee
Mr. Houk — Mr. Anderson

R.C.

Docket Copy
Surname:
Anderson
Houk
Selfridge
Fitzsimmons

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

DEC - 7 1955

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

Subject: Docket No. DMEA-4067 - Miss A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated November 21, 1955, by N. E. Nelson, USGS, and W. F. Dietrich, USBM, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (24B)

Approved:

/s/ Robert W. Geehan (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

Enclosures 4

WCAnderson:gad 12/5/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.G.S.

Docket Copy
Surname:
Anderson
Lowry
Mitchelson

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

Messrs. A. T. Garland and
S. B. Lacey, Jr.
Newland, North Carolina

NOV 30 1955

Re: Docket No. DMEA-4067 - Mica
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina

Gentlemen:

Reference is made to your application for Government assistance to explore the subject mine.

Please be advised that the land area of 1.9 acres under lease is inadequate for an exploration project such as you have outlined in your application. The Defense Minerals Exploration Administration is reluctant to accept an application for a project which does not cover at least ten acres with boundary lines not less than 150 feet from the proposed exploration work. It will be appreciated if you will obtain the land area described. Your application will then be given prompt consideration.

If you are able to acquire this additional acreage a new lease will be required. We are enclosing seven copies of Form MF-203, Consent to Lien, which should be signed by all the land owners. Please return six copies to this office together with two copies of the new lease. The Consent to Lien and the lease must contain the metes and bounds description of the land under lease.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 7

WCAnderson:gad 11/30/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Carlson

RECEIVED
NOV 22 1955

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

November 21, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4067 (mica)

Applicant: A. T. Garland and S. B. Lacey, Jr.

Name and Location of Property: Johnson Mine, Ashe Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/15/55

Comments:

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

2. Proposed exploration is not explicit and the estimate of expenditures should be made on a unit-cost basis.

3. It is suggested that additional land be acquired to be included in the proposed exploration program.

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

Anderson

IN REPLY REFER TO:

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

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NOV 28 1955

November 21, 1955

Re: DMEA 4067
A. T. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Mica

Memorandum

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

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

Subject: Review of application.

No information is given concerning this mine although it was operated about 2 years ago. Perhaps local residents can supply the information the applicants appear unwilling to dig up.

The time element of the bulldozing item of the proposed program suggests there is as yet no other target than the place worked.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

November 18, 1955
Subject: DMEA-4067
Re: Exploration Assistance
Johnson Mine

Mr. A. T. Garland & S. B. Lacey, Jr.
Newland, North Carolina

My dear Mr. Garland:

The receipt of your application dated November 5, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4067 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

3266
5437

60932

November 18, 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 - A. T. Garland & S. B. Lacey, Jr.

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

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

KNOXVILLE, TENNESSEE

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NOV 17 1955

November 15, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Application: A. T. Garland & S. B. Lacey, Jr. Newland, N. C.
Johnson Mine, Ashe County, N. C. (mica)

Transmitted are three copies of the subject application with Mining Lease and forms MF-203 attached.

Robert A. Laurence
Robert A. Laurence

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

RECEIVED
NOV 17 1955

November 15, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Application: A. T. Garland & S. B. Lacey, Jr. Newland, N. C.
Johnson Mine, Ashe County, N. C. (mica)

Transmitted are ~~four~~ 3 copies of the subject application with Mining Lease and forms MF-203 attached.

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.

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NOV 17 1955

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

Not to be filled in by applicant

Docket No. DMEA-4067
Metal or Mineral Mica
Date Received 11-17-55
Estimated Cost $ No amount
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: A. T. Garland and S. B. Lacey, Jr., Newland, N. C.

Partnership

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract ~~Approximately 2 acres, plat attached~~

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

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

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

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

(*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.

RECEIVED
NOV 14 1955

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

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

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

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

16—66551-1

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

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

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

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

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:

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

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

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

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

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

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

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

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

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

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

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

☐ 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 11-4-55, 195...

A. T. Garland and S. B. Lacey, Jr.
Partnership (Applicant)

By A. T. Garland
S. B. Lacey Jr.

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

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NOV 17 1955

4. Physical Description

This mine was mined about 2 years ago and known as the Johnson Mine in Ashe County. There was a shaft about 70 Ft. deep which has fallen in; also a tunnel about 35 Ft. This work was done by Jesse McKinney, Bakersville, North Carolina, in which we had no interest.

This mine is about 300 yards off the hard surfaced road. It is very easy to get to and is approximately 65 miles from the Government Depot in Spruce Pine, North Carolina.

We have 3 experienced miners to run the mine. We also have a practically new Ingersoll Rand Air Compressor, Jackhammer, and Hoist. There is water close by.

5. The Exploration Project

Work will start immediately after examination by government inspector. Work will be completed 12 months from date of exploration.

We have mined various times in the past 20 years, and we also have 3 well-experienced miners to work the mine.

6. Estimate of Costs

(a) Independent Contracts - 15 days bulldozing at $12 an hour - $1700.
Sixty Ft. shaft, $45 a foot - $2700.

(b) Labor, Supervision, Consultants - man operating jackhammer - $1.75 an hour; Hoist operator, $1.25 a hour; 2 muckers, $1.00 an hour.

(c) Operating materials and supplies - magazine for dynamite, 200 Ft. - 3/4" Pipe.

(d) Operating equipment - to be furnished by operator, $220 for compressor and jackhammer, $50 a month for hoist, round of steel $67.

(e) Rehabilitation and repairs - $50 moving equipment from Newland to the mine.

(f) New buildings, improvements, installations - Tool house $100; Dynamite magazine $12.50.

(g) Miscellaneous - Upkeep on equipment, approximately $25 a month.

(h) Contingencies - None.

conventional steel total $ 120.00

$4/ft. steel

100
20

900
1800 ft drilling

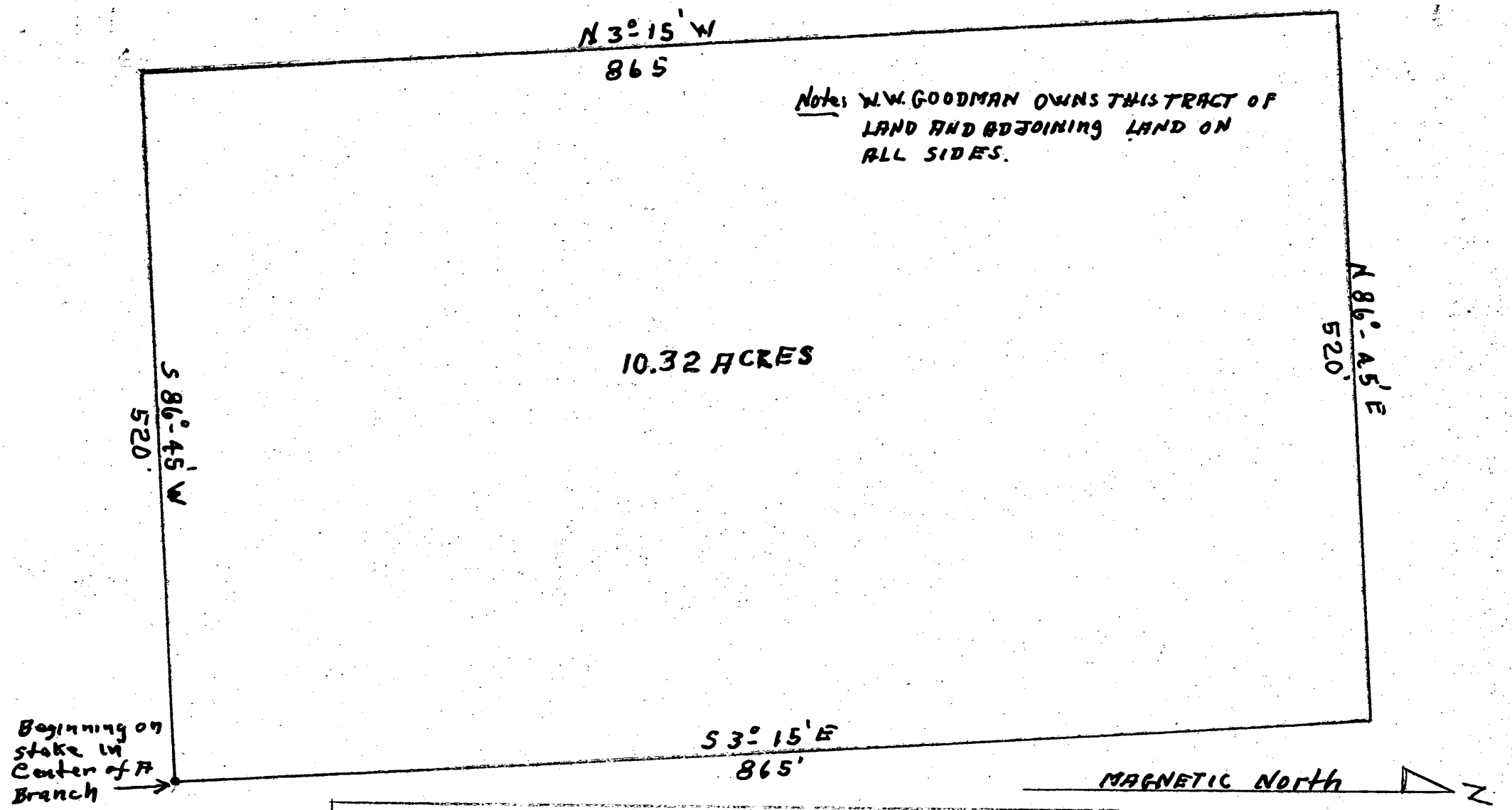
67
67
134

337.00/mo -
6000 + 8000 - comp + pump
use allowance figure

arrive at a valuation

1/60 of for market value of equipment

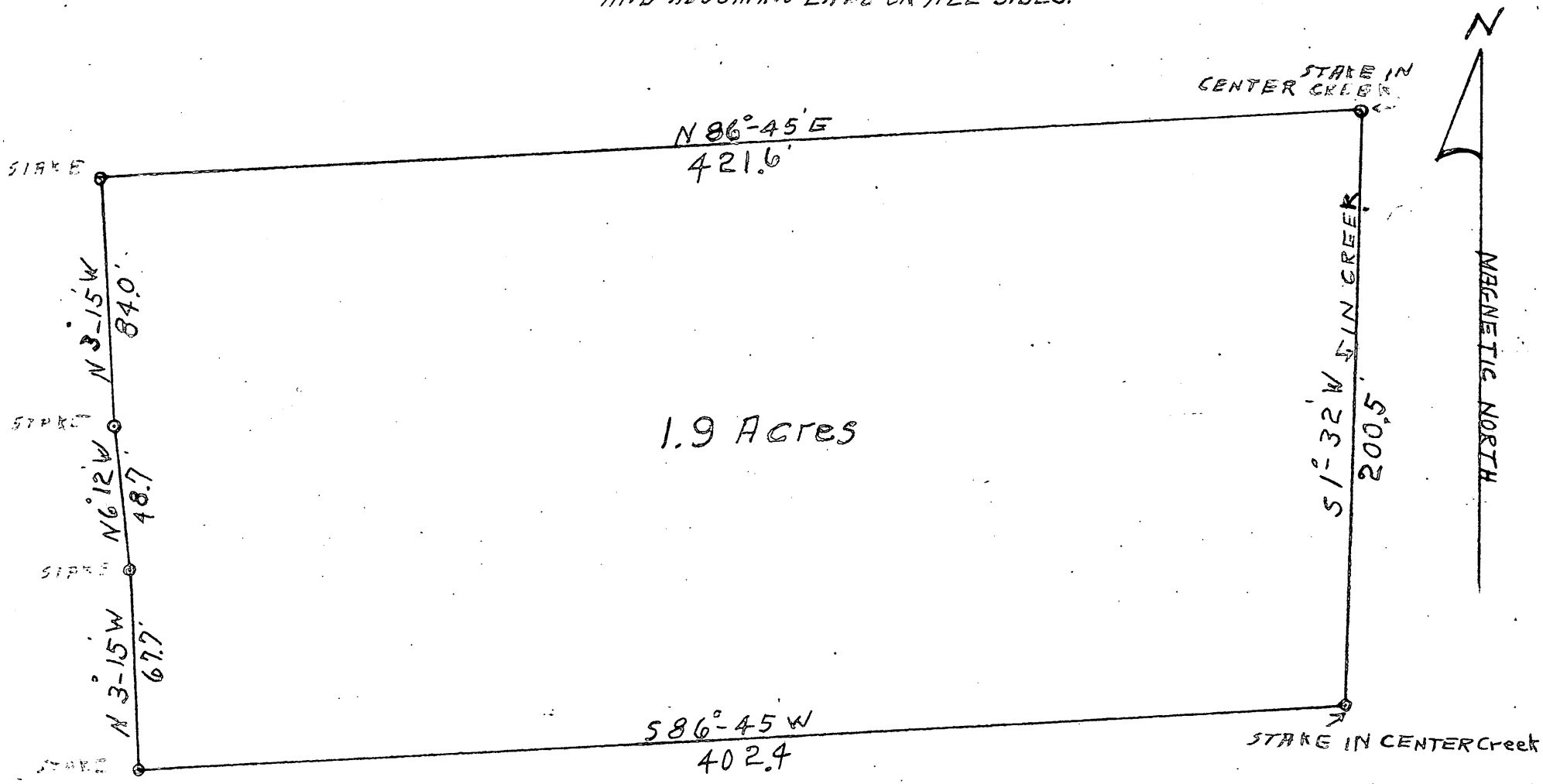
$0.60/ft maintenance + repair



TRACT LOCATED WEST OF BALDWIN IN ASHE COUNTY, N.C.
MINING RIGHTS LEASED BY S.B. LACEY JR. AND A.T. GARLAND

PLAT PREPARED DEC. 10-1955 BY L.B. TYSON REG. ENGINEER.
Scale 1" = 100'

NOTE: W.W. GOODMAN OWNS TRACT OF LAND AND ADJOINING LAND ON ALL SIDES.



TRACT LOCATED WEST OF BALDWIN IN ASHE COUNTY, N.C.
MINING RIGHTS LEASED BY S.B. LACEY JR, AND A.T. GARLAND.
SURVEYED AND PLATTED NOV. 3-1955 BY L.B. TYSON REGISTERED ENG'R
SCALE 1" = 50'

DRAWING NO. 11-55-44

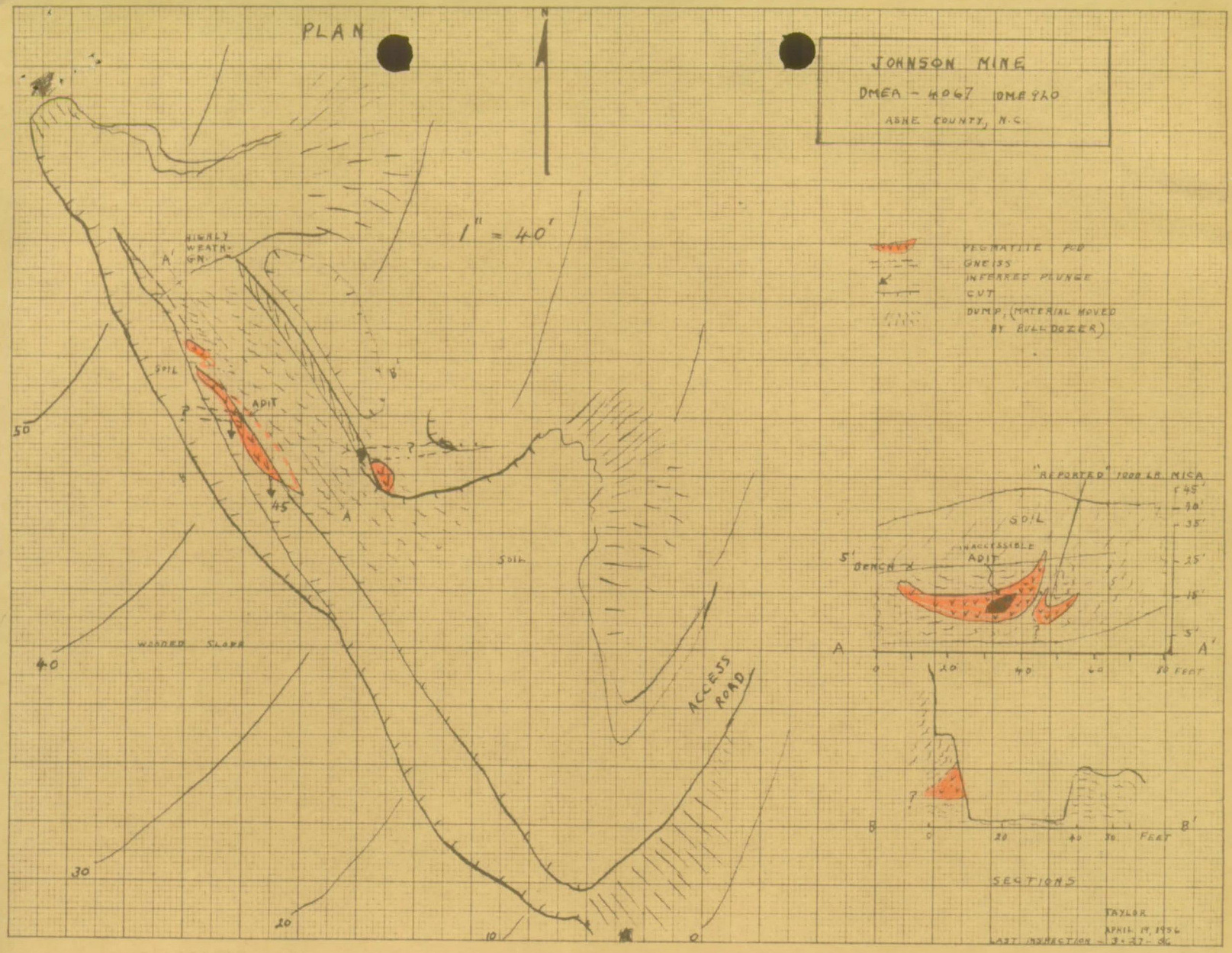
UNITED STATES
DEPARTMENT OF THE INTERIOR
U. S. BUREAU OF MINES
METAL ECONOMICS BRANCH
JUNEAU, ALASKA

OFFICIAL BUSINESS

OPERATING COMMITTEE,
DEFENSE MINERALS EXPLORATION ADMIN.,
DEPARTMENT OF THE INTERIOR,
INTERIOR BUILDING,
WASHINGTON 25, D. C.

VIA AIR MAIL

VIA AIR MAIL


PLAN
N
JOHNSON MINE
DMEA - 4067 IDMR 920
ASHE COUNTY, N.C.
1" = 40'
HIGHLY WEATHERED
A'
SOIL
ADIT
45
A
B
SOIL
WOODED SLOPE
ACCESS ROAD
50
40
30
20
10
0
PEGMATITE POD
GNEISS
INFERRED PLUNGE
CUT
DUMP, (MATERIAL MOVED BY BULLDOZER)
"REPORTED" 1000 LB MICA
45'
40'
35'
25'
15'
5'
SOIL
INACCESSIBLE ADIT
5' BENCH
A
A'
0
20
40
60
80 FEET
B
B'
0
20
40
60 FEET
SECTIONS
TAYLOR
APRIL 19, 1956
LAST INSPECTION - 3-27-86

RECEIVED
APR 30 1956