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 17th day of Dec. 1955

R. D. McNeill 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 Page 203-204 1955

J. D. Stansberry Register of Deeds

by Beryl S. Cox

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

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

Newland, North Carolina

pertaining to Exploration Project Contract No. Idm-E920, Docket No. DMEA-4067, for the month of March 1956, covering a project for the exploration of mica on property, known as the Johnson Mine located in Ashe County, North Carolina.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports, and a determination of the reasonableness and propriety of the costs.

The review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$500.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$500.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three hundred seventy-five and no/100 Dollars

$375.00

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert

E. D. Talbert, Auditor

April 12, 1956

Division 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."

16—70618-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of 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.*—

Indrity 2/10/56
Dwyer
"Appd. Sol. Off."
Anderson
Hoch
Thompson
Selfridge.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

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

(Operator)

By G. Garland (Partner)

By S. B. Lacy 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

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MAR - 2 1956

EXPLORATION PROJECT CONTRACT
A. T. GARLAND and E. B. LAGEY, JR.
DOCKET NO. DMMA-4067

ANNEX I

The land referred to in Article 2 of the Contract is known as the Johnson Mine. It is located 2.9 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 580 feet to a stake; thence North 3° 15' West 865 feet to a stake; thence North 86° 45' East 580 feet to a stake; thence South 3° 15' East 865 feet to the point of beginning, containing 10.32 acres.

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DEC 19 1955

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 ~~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. H. Goodman [Seal]

Frances Eller Goodman [Seal]

W. M. Goodman [Seal]
Henry 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]

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MAR - 2 1956

EXPLORATION PROJECT CONTRACT
A. T. GARLAND 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 foot.

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

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood lumber; and shall be braced at the corners. No metal shall be exposed; and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof 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 20 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

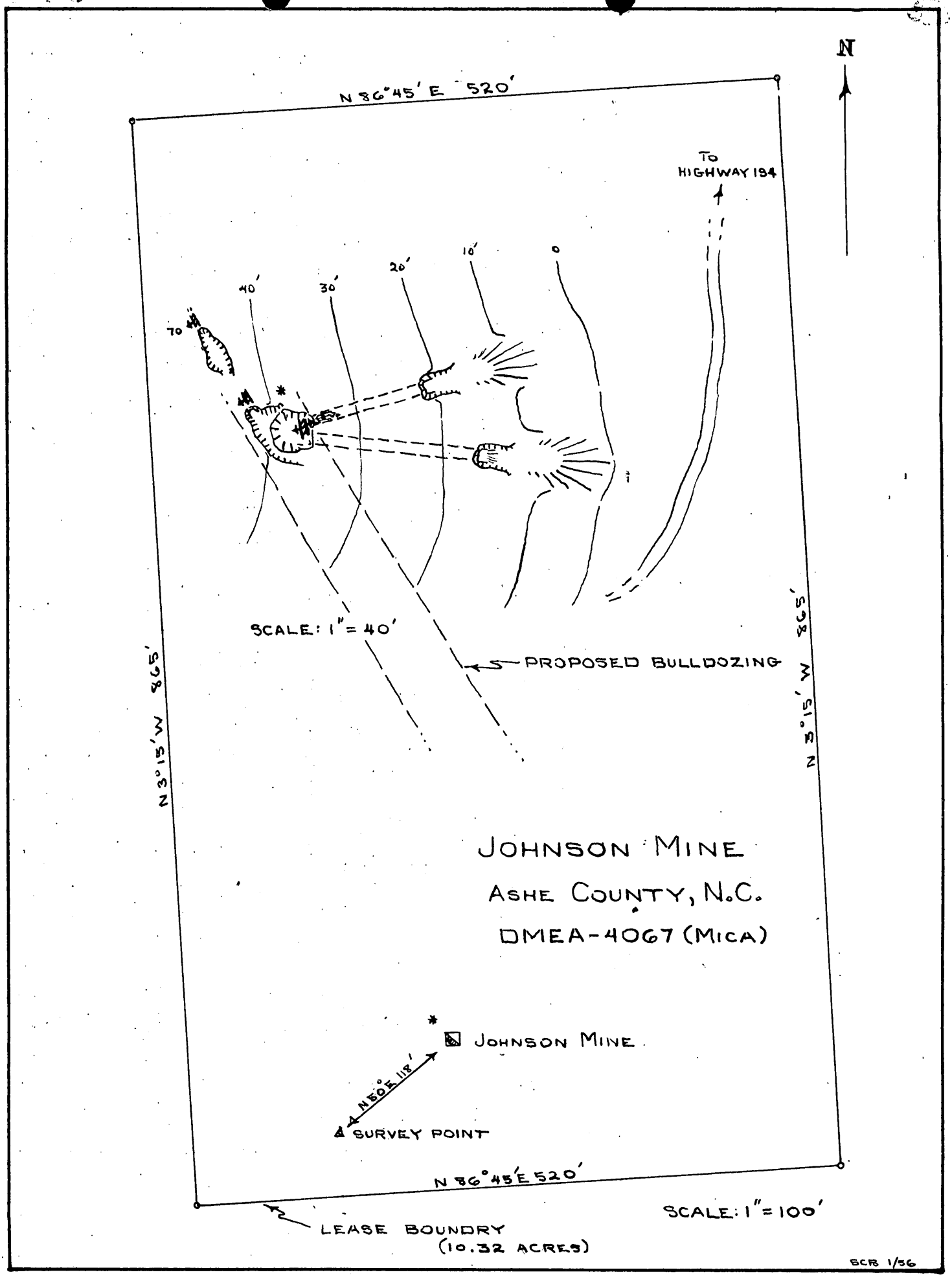
Stage I

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

Stage II

Constructing - Toolhouse 1/	76.00	
- Powder magazine 1/	25.00	
- 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 80° E 118'
SURVEY POINT
N 86°45' E 520'
SCALE: 1" = 100'
LEASE BOUNDRY
(10.32 ACRES)
SCB 1/56

600

APR 18 1957

Mr. W. M. Goodman
West Jefferson, N. C.

Re: Docket No. DMEA-4067-mica
A. T. Garland and B. 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,

G. C. Kinnaird

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

APR 18 1957 - To Field, for address and Mailing.

APR 18 1957

Mr. and Mrs. W. W. Goodman
West Jefferson, N.C.

Re: Docket No. DMSA-4067-mica
A. T. Garland and S. E. Laney, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-8920

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,

S. O. Harden

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

APR 18 1957 - To Field, for address and mailing.

600

Mr. Kenny Goodman
West Jefferson, N.C.

Re: Docket No. DMEA-4067-mica
A. T. Garland and S. E. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-5980

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,

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

APR 16 1957 - to field, for address and mailing.

600

APR 18 1957

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

Re: Docket No. DMEA-4067-mlcm
A. T. Garland and
S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-8920

Dear Mr. Lawrence:

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

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

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

APR 15 1957

Messrs. A. T. Garland and
J. B. Lassy, Jr.
Rowland, North Carolina

Re: Docket No. DMSA-4047-nlcs
A. T. Garland and
J. B. Lassy, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-8900

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 DMSA exploration program and participation therein are fully appreciated.

Sincerely yours,

[illegible]

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) landowners
Kenny Goodman)

March 25, 1957

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-4067-mica
Contract No. Idm-2920
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

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~~ 6,992.20 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.

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:

New 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 5 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 G. Anderson

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

March 25, 1957

Project Summary Report

By: Walter C. Andersen

1. Docket No. DMEA-4067-mica
Contract No. Idm-2920
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:

Share I

Bulldozing	$ 500.00

Share 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

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 had sunk a 40-foot shaft and drifted 30 feet. During this operation, ~~$6,995~~ 7,359.20 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.

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:

Now 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 G. 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
WASHINGTON 25, D.C.
ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 7, 1957

EXTRA COPY
D M E A
RECEIVED
1957

DATE	INITIALS	CODE

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

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. Garland and S. B. Lacey, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-M920

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

M. H. Nelson

Member, Geological Survey

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

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

600

NOV - 8 1956

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,

Laurence 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.

C
O
P
Y

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/ S. B. Lacey, Jr.

S. B. Lacey, Jr.

SBLjr/pel

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 4 ASH POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
OCT - 1 1956

September 28, 1956

Memorandum

TO: Finance Office - Region V

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

Subject: Idm-E920, DMEA-4067 (mica) Johnson Mining Co.
Bills-of-sale Newland, N.C.

Attached are bills-of-sale in the amount of $1,153.87 for the check sent your office September 11, 1956 on the subject contract.

Robert A. Laurence

ZM.
cc
Lynch
Mittendorf
Files

Newland, North Carolina
July [illegible], 1956

RECEIVED
OCT - 1 1956

Sold To: Cremo Taylor, Newland, N.C.

Sold By: Johnson Mine, Scrap Mica $100.00

copy

RECEIVED
OCT - 1 1956

GENERAL SERVICES ADMINISTRATION FINAL SETTLEMENT Mica Purchasing Depot, Spruce Pine, N. C.	Date Purchased 6-19-56 Acceptance No. 1272(a)
Certificate Authorization No. LOT No. 1272(a) SP-	VOUCHER No.

	TOTAL Wt. Lb	Lbs-G.S	Lbs-Stained	Lbs-Hy-Stained	Total Value
Processed for Payment	17.15	7.62	7.53	2.00	266.76
No Processed Pay't					
THINS					
BLACK Dots Spots Stains					
Undersized					
Process- ~~Gain~~ Loss	.16				
Total Lbs Purchased	17.31				

Less: Initial Payment - Voucher No.		Sch. No.	193.98
Balance Due	Government	Seller ✓	72.78

Seller's Name: Johnson Mining Co

Address: Newland, N.C.

NAME OF MINE: Johnson, Avery County N.C.

DMEA No. 4067 Idm-E 920

Approved

Date:

Copy

RECEIVED
OCT - 1 1956

GENERAL SERVICES ADMINISTRATION FINAL SETTLEMENT Mica Purchasing Depot, Spruce Pine, N. C.	Date Purchased 6-22-56 Acceptance No. 1301 (a) AR
Certificate Authorization No. 1797A LOT No. 1301(a) SP-	VOUCHER No.

	TOTAL Wt. Lb	Lbs-G.S	Lbs-Stained	Lbs-Hy-Stained	Total Value
Processed for Payment	35.25	15.92	17.18	2.15	482.28
No Processed Pay't					
THINS					
BLACK Dots Spots Stains					
Undersized					
Process- ~~Gain~~ Loss	.19				
Total Lbs Purchased	35.44				

Less: Initial Payment - Voucher No.	Sch. No.	343.82
Balance Due Government	Seller ✓	138.46

Seller's Name: Johnson Mining Co
C/o S.B. Lacey, Jr
Address: Newland, N.C.

NAME OF MINE: Johnson
DMEA No. 4067 Idm-E 920
Ashe County, N.C.

Approved

Date:

copy

RECEIVED
OCT - 1 1956

GENERAL SERVICES ADMINISTRATION FINAL SETTLEMENT Mica Purchasing Depot, Spruce Pine, N. C.	Date Purchased 7-11-56 Acceptance No. 86 (a) AR-4
Certificate Authorization No. 1797 LOT No. 86 (a) SP-	VOUCHER No.

	TOTAL Wt. Lb	Lbs-G.S	Lbs-Stained	Lbs-Hy-Stained	Total Value
Processed for Payment	23.10	15.27	6.43	1.40	404.83
No Processed Pay't					
THINS					
BLACK Dots Spots Stains					
Undersized					
Process- ~~Gain~~ Loss	14				
Total Lbs Purchased	23.24				

Less: Initial Payment - Voucher No.		Sch. No.	311.09
Balance Due	Government	Seller X	93.74

Seller's Name: Johnson Mining Co
c/o S.B. Lacey, Jr.
Address: Newland, N.C.

NAME OF MINE: Johnson
DMEA No. 4067 Idm-E 920
Ashe County, N.C.

Approved

Date:

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-2980
Garland and Lacey
Johnson Mine
Ashe County, North Carolina
Approved: $6,816.00
Expended: $ 500.00 - Mica

Memorandum

To: L. G. Monk, 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 lenses. 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

NENelson:iml
G-9/26/56
cc: Director's reading, 4212
Branch redding, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

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

RECEIVED
SEP 13 1956

September 11, 1956

Memorandum

To: Finance Officer, Region V - Morris, Tenn.

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

Subject: Royalty Payment- Idm-E920, DMEA-4067 (mica)
Johnson Mine, Avery County, N.C.
A. T. Garland & S. B. Lacey, Newland, N.C.

Transmitted is a royalty check in the amount of $62.69 for the Government's royalty on the sale of mica from the subject contract. Bills-of-sale did not accompany the check, when they are received your copy will be mailed.

Robert A. Laurence

ZM
cc;
Lynch
Mittendorf
Files

600

AUG 24 1956

Mr. Louis Aldridge

Sparta Plaza, North Carolina

Re: Docket No. DMEA-4067-mica
A. T. Garland and S. B. Lassy, Jr.
Johnson Mine
Ashe County, North Carolina
Contract No. Idm-8520

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,

G. O. Mittendorf

Administrator

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

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

Mr. Lewie 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-E920

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

C
O
P
Y

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,

/s/ Lewie Aldridge

Lewie Aldridge

RECEIVED
AUGUST 16, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 4 ASHIPOST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL 16 1956

July 12, 1956

Memorandum

To: Helen Miller, Ass't Administrative Officer, Region V

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

Subject: Royalty Payment - Idm-E920, DMEA-4067 (mica) Johnson Mine, Avery County, N. C. A. T. Garland and S. B. Lacey, Jr. Newland, N.C.

Transmitted is a royalty check in the amount of $7.27 for the Government's royalty on the sale of mica from the subject contract. Bills-of-sale did not accompany the check, when they are received your copies will be mailed.

Robert A. Laurence

ZM.
cc:
Lynch
Mittendorf
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 1350 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, Idn-3920 - 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. Lawrence
Executive Officer
DMEA Field Team, Region V

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1-3 POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

RECEIVED
JUN 15 1956

June 13, 1956

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

Newland, North Carolina

Re: DMEA-4,067, 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 $87.03.

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

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

RECEIVED
MAY 8 - 1956

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 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-2920, 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

RAL/am
cc:
Lynch
Shirley
Files

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-1067, 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 authorised. 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 ~~mmg~~ large pegmatite.

Conclusions

Stage II was not recommended because of the total lack of pegmatite to sink on. No pegmatite outcroped 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

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

Final

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of March, 1956 Docket No. DMEA 4067 RECEIVED Contract No. E-920

Operator's Name A. T. Garland & S. B. Lacey APR 11 1956 Minerals Mica

Address Newland, N. C.

Contract Amount, $ 6816.00 Government Participation: 75 % Amount, $ 5112.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing 1666 Cu. Yds	500.00		500.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	500.00		500.00	500.00		500.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 4-4-56 *Payee A. T. Garland

Per _____ Title _____

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 375.00

Signature Helen R. Miller
(Authorized Certifying Officer)

Date APR 9 1956 Vou. No. 216

(See other side)

1st 4 5 3/1 e 3/1 125.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-920 in accordance with the terms of the contract.

Signature S. C. Bergman Title Geologist Date 4/6/56

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch Title ACTING EXECUTIVE OFFICER DMEA Date APR 6 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
APR 11 1956

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of March 195 6 Docket No. DMEA 4067 Contract No. E-920

Operator's Name A. T. Garland & S. B. Lacey Minerals Mica

Address Newland, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits Dozer	Cu.Yd.	500.00	1666	500.00	1666	0.30	1666	500.00
Roads and Trails								
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		500.00		500.00				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		500.00		500.00				

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

Date 4-4-56 Operator

Per A. T. Garland Title

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

REMARKS:

(Instructions on reverse)

(For Government use only)

J. C. Bergman, Geologist USGS
4/6/56

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
APR 11 1956

FINAL REPORT OF JOHNSON MINE

Stage I Completed.

We bulldozed 250 ft. at the longest point and 80 ft. long at the shallowest side. 45 ft. wide on northeast end, 25 ft. feet wide on northwest end, 45 ft. deep.

Stage II Denied.

We did not start stage II as there is not enough pegmatite showing to justify sinking the shaft.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 1087 FED. BLDG.
KNOXVILLE 2, TENN.

RECEIVED
MAR 30 1956

March 27, 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
Shirley
Files

RECEIVED
MAR 26 1956

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, Mining Engineer
Bureau of Mines

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

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

RECEIVED
MAR 19 1956

March 14, 1956

Mr. A. T. Harland and S. G. 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

DAL/zm

Lynch
Shirley
Mr. Lacey
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 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-5920, DMEA-4967, A. T. Garland and S. E. 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

RAL,
cc:
Finance Office
Lynch
Shirley
Files

600

FEB 17 1956

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

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

Dear Mr. Lawrence:

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. R. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

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

Thor H. Kiilsgaard
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

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

WJL/mm
Lynch
Shirley
Files

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

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.

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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

WJL/sm
Lynch
Shirley
Files

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

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

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

(1)

Memorandum

1-19-56

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division.

Subject: Evaluation of application and field examination report
Docket No. Gmea-4067-Mica
A. J. Harbert and S. B. Lacy, Jr.
Johnson Mine
Ashe County, North Carolina

Mica: a Contract in recommended. That seam was small, flat, unstained and bleached colorless by weathering. Post production valuable. During 1952-53, 803 pounds produced mica valued at $1,243.44.

Pegmatite: 2 to 3 spur rather than a wider zone of single structure. Main zone 8' thick. Highly weathered and kaolinized. Only 35 feet along strike has been exposed by past working. Enclosed in soft, weathered biotite gneiss.

Old Workings: Two interacting adits terminated in a pegmatite zone in a partially caved shaft and a 35-foot drift.

Method of exploring: The work proposed by the applicant is practically the same as recommended by the Field Team. The applicant's estimated cost is $11,507 while that of the Field Team is $7,045. Time for completion: Applicant's estimate - 6 months; Field Team's estimate 4½ months. The work consists of bulldozing a trench 150 ft. long by 20 ft wide by 15 ft deep; 80 feet of vertical shaft and 100 feet of drifts.

Economics and Costs - The Field Team used rental as a basis for estimating cost of equipment, while the applicant states that he will furnish the compressor, drill and hoist. We have made a revision of the estimate of costs by applying use allowance in place of rental. We are allowing $6600 as the fair value of this equipment and adding a cost for repair and maintenance at 60¢ per foot of shaft and drift. Also $100.00 for hoisting equipment including gin pole, guy wires, 3 pulleys, rope and 6 blocks and oil drum for bucket.

Cost for 80 feet of shaft:

Labor - 1 miner @ $1.50/hr	$540.00
1 hoistman @ $1.25/hr	450.00
1 laborer @ $1.00/hr	360.00
Equipment - Use allowance	
Compressor, drill + hoist @ 1/60 per mo.	248.00
Equipment - rental - pumps @ $20/mo.	45.00
Repair + Maintenance of equipment 80 feet @ 60¢/ft.	48.00
Supplies:	
Hoisting equipment (pulleys, rope, pole, etc)	100.00
3 cases Explosives	240.00
1 bit Drill steel - 80 feet @ $1.60/ft.	128.00
Gasoline + oil	160.00
Timber, 2500 b.f. @ $63/M plus installation	320.00
Small tools, pipe, etc	160.00
Miscellaneous	205.00
13 5/8 Insurance, Soc. Sec. + Sales tax	180.00
Total	3184.00
per foot $39.80 - rounded to	$40.00

Note: Field Team omitted item of gas + oil.

Costs for 100 feet of drift:

Labor - 1 miner @ $1.50/hr	$480.00
1 hoisterman @ $1.25/hr	400.00
2 laborers @ $1.00/hr	640.00
Equipment - Use allowance	
Compressor, drill & hoist @ $60/mo.	220.00
Equipment-rental - pump @ $20/mo	40.00
Repair & maintenance of equipment - 100 ft @ $0.60/ft.	60.00
Supplies	
Explosives	300.00
Drill steel 100 ft. @ $1.60	160.00
Gasoline & oil	180.00
Small tools, pipe, etc.	110.00
Miscellaneous	145.00
Insurance, Soc. Sec. & labor tax	205.00
Total	2940.00
Per foot-Actual $29.40 - Use	$30.00

Recommendation: The Nonmetallic Minerals Division recommends a contract for the project applicants at $40 per foot for shaft sinking and $30 per foot for drifting. The commodity members of the Geological Survey and Bureau of Mines recommend that the applicants be awarded a contract.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM POST OFFICE BLDG.
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 $4400.00 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 Lauhern 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
	87.50

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
WASHINGTON 25, D. C.
ROOM POST OFFICE BLDG.
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 $4400.00 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 Lawhorn 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. Lawrence
Executive Officer, DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1205 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. Lasey, 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 Lauhern 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

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

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

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

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

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. Kouk, 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

NENelson:iml
G-1/16/56
cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 303 POST OFFICE 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, Sr. 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

RAL/sm

cc:
Lynch
Shirley
Files

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM, REGION V

On

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

RECEIVED
JAN 9 1956

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 ~~sm~~ 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.

(DMEA-4067)

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)

Labor:

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

Equipment (rental)

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

Supplies:

Explosives	240.00
Drill steel	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

Estimated cost of sinking $3,190.00

39.88
40.00

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

Labor:

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

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	140.00	
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

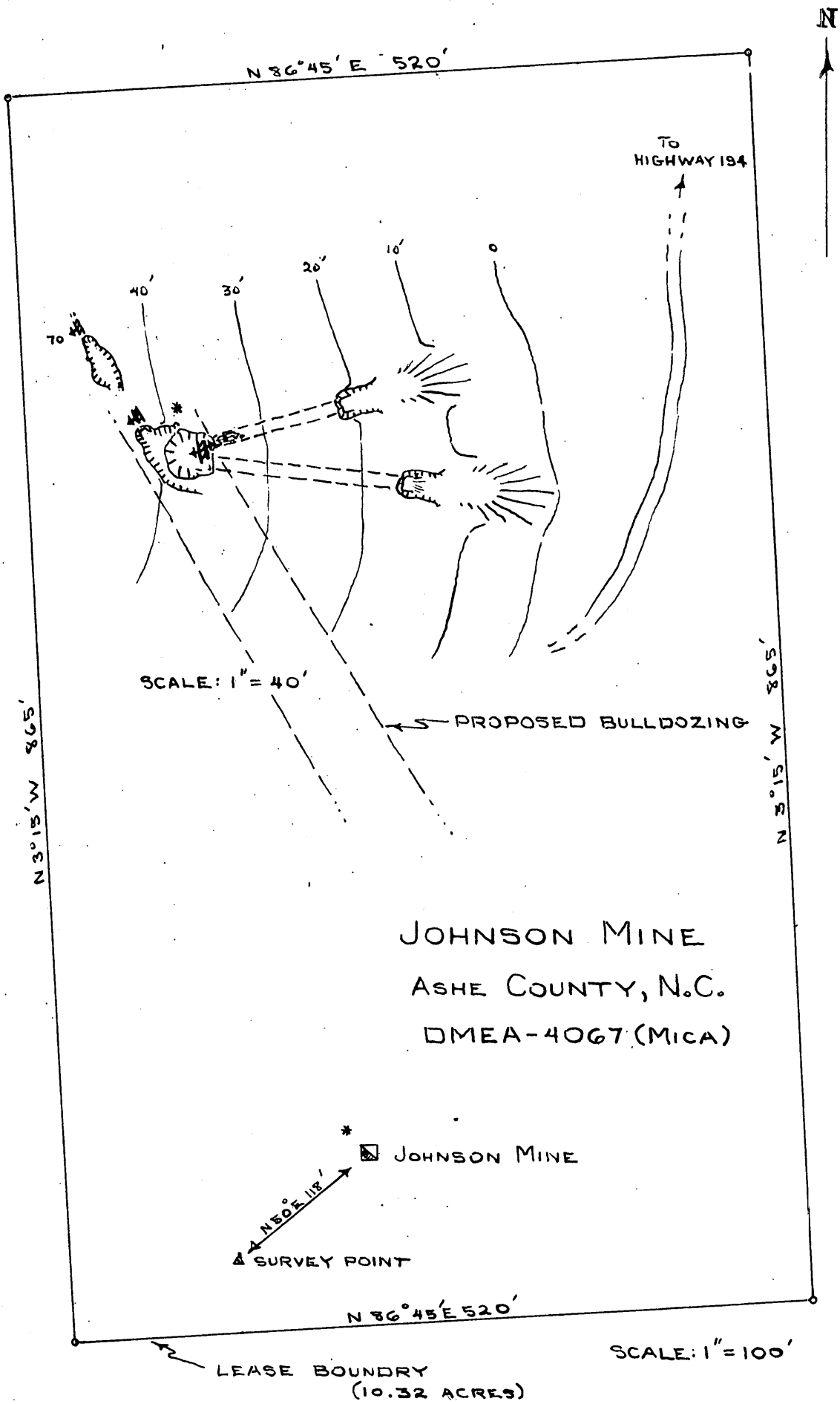
32.40 ft.

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

600

DEC - 7 1955

Messrs. A. T. Garland and
S. B. Lassy, Jr.
Rowland, North Carolina

Re: Docket No. DMEA-4067 - Mica
A. T. Garland and S. B. Lassy, 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. Lawrence, 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,

C. O. Mittendorf

Administrator

Enclosures 6

WGAnderson:gmd 12/6/55

Copy to: Admr. R. File — Docket
Mr. Dietrich, 3061 — Field Team, Region V
Mr. Kiilsgaard, 5222 — Operating Committee
Mr. Hook — Mr. Anderson

DEC - 7 1955 600

Mr. Robert A. Lawrence
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. Lawrence:

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

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 4

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

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:

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,

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

IN REPLY REFER TO:

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

RECEIVED
NOV 23 1955

November 21, 1955

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

Memorandum

To: L. C. 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

NENelson:iml
G-11/21/55

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

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

RECEIVED
NOV 22 1955

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.

Signed
W. F. Dietrick

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
E. VANNOY, JR.
EFFERSON, 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.

SO FOR A PERIOD OF NINETY (90) DAYS AT ANY ONE TIME, WEATHER PERMITTING, SHALL CAUSE THIS LEASE TO BE TERMINATED AS STATED IN PARAGRAPH ONE ABOVE.

THE LESSEES SHALL KEEP ALL MINES AND MINING OPERATIONS AND THE PREMISES IN A REASONABLY CLEAN AND SAFE CONDITION AND SHALL DO NO UNNECESSARY DAMAGE TO THE PREMISES, IT BEING EXPRESSLY UNDERSTOOD THAT THE LESSEES MAY AND ARE PERMITTED TO ENGAGE IN STRIP MINING, AND TO PILE THE REFUSE AND LOOSE DIRT FROM SAID OPERATIONS UPON ANY PART OF THE DEMISED PREMISES AND TO LEAVE THE SAME THERE.

THE LESSEES SHALL PREPARE AND SHEET ALL MICA REMOVED FROM SAID PREMISES SO AS TO PRODUCE THE HIGHEST SALES PRICE, WHICH SHALL BE THE BASIS FOR ROYALTY, AS HEREINAFTER SET OUT.

-7-

THE LESSEES SHALL AND HEREBY EXPRESSLY AGREE TO PAY TO THE OWNERS A ROYALTY OR ROYALTIES FOR ALL MINERALS MINED AND REMOVED FROM SAID PREMISES AS FOLLOWS:

(A) ONE-EIGHTH (1/8) OF THE GROSS SALES PRICE FOR ALL SCRAP AND PREPARED MICA; AND

(B) THE USUAL AND CUSTOMARY ROYALTY IN THIS LOCALITY ON ANY AND ALL OTHER MINERALS MINED AND REMOVED FROM SAID PREMISES.

PAYMENT OF ROYALTIES SHALL BE MADE BY THE LESSEES TO THE LESSORS WITHIN TEN (10) DAYS FROM THE SALE OF ANY MINERALS REMOVED FROM SAID PREMISES.

-8-

THE LESSEES SHALL KEEP ACCURATE RECORDS OF ALL WEIGHTS AND AMOUNTS OF ALL MINERALS MINED AND REMOVED FROM SAID PREMISES AND AT THE TIME THE PAYMENT OF ROYALTIES IS DUE, SHALL FURNISH TO THE LESSORS AN ACCURATE STATEMENT SHOWING THE AMOUNTS, WEIGHTS, AND PRICES OF MINERALS MINED AND REMOVED FROM SAID PREMISES DURING THE PERIOD FOR WHICH SAID ROYALTIES ARE DUE, TOGETHER WITH A COPY OF THE BILL OF SALE.

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)

Nancy Goodman (SEAL)
LESSORS

S B Lacey Jr (SEAL)

W. T. Garland (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

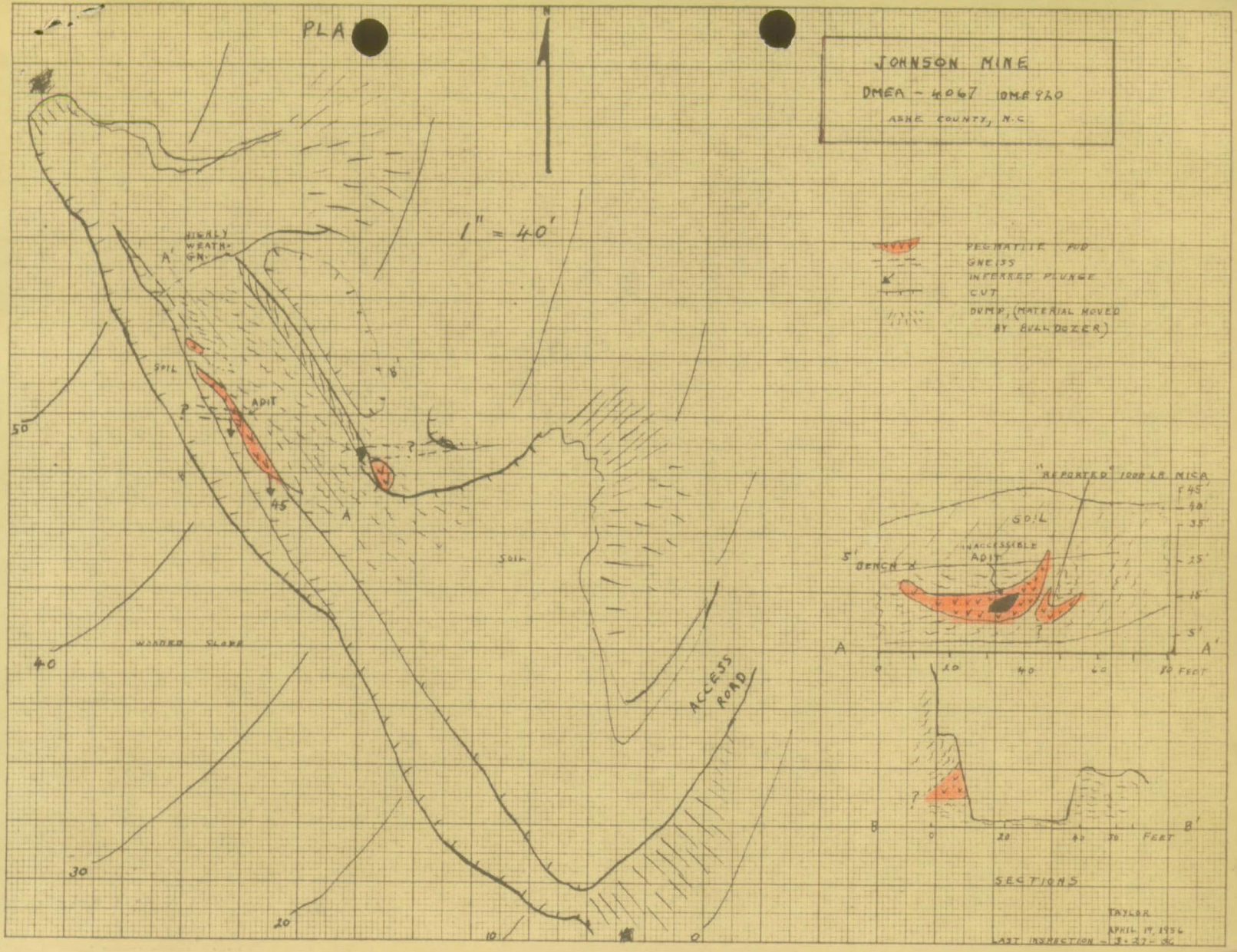
-AND-

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

LESSEES

MINING LEASE

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


JOHNSON MINE
DMEA - 4067 DMEA 920
ASHE COUNTY, N.C.
1" = 40'
N
PLA
HEAVILY WEATHERED
A'
SOIL
ADIT
45
A
50
40
30
20
10
0
WASHED SLAKE
SOIL
ACCESS ROAD
PEGMATITE PUD
GNEISS
INFERRED PLUNGE
CUT
DUMP, (MATERIAL MOVED BY BULLDOZER)
"REPORTED" 1000 LB. MICA
SOIL
INACCESSIBLE ADIT
5' BENCH
45'
40'
35'
25'
15'
5'
A
A'
0
20
40
60
80 FEET
B
B'
0
20
40
60
FEET
SECTIONS
TAYLOR
APRIL 19, 1956
LAST INSPECTION - 3-27-56

RECEIVED
APR 30 1958