Docket copy

"Appd. Sol. Off."

TERMINATION AGREEMENT

It is agreed this 10th day of August, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Carolina Mining Company, hereinafter called the "Operator," parties to Exploration Project Contract Idm-2954 (Docket No. DMEA-4234), dated May 21, 1956, hereinafter called the "Contract," that:

1. Effective July 10, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account. All rights of the Government under the Contract with respect to records, audits, and recovery of any overpayment are preserved.

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

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer
DMEA Field Team, Region V

CAROLINA MINING COMPANY

By Roy E. Poute (Partner)

By William Bisnes (Partner)

DMEA 7205

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 3-6-56

2. CONTRACT DATE 5-18-56

3. TERMINATION AGREEMENT: DATE

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

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Docket copy RECEIVED MAY 28 1956

MF-200A
(Revised June 1954)

Docket No. DMEA - 4205

Commodity Mica

Contract No. Idm-E 952

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

It is agreed this MAY 18 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] CAROLINA MINING COMPANY, a partnership composed of Roy H. Fouts and William Dinnes, whose mailing address is Box 314 Franklin, 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 two maps.

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 Jackson, 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 ....., page ....., official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: royalty 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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of ....mica.... The work to be performed is described in Exhibit "A." The Operator on or before ....JUN 30 1956.... shall commence the work, and on or before ....September 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 $....2,776.00.... The Government will contribute ....75.... percent of the fixed unit costs as work is performed, in a total sum not in excess of $....2,082.00....: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

(For instance: the royalty on an amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on an amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

CAROLINA MINING COMPANY
(Operator)

By Roy H. Feuts (Partner)

William Dimes (Partner)

THE UNITED STATES OF AMERICA

By O. M. Mitchell
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

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

RECEIVED
MAY 28 1956

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMMA-4203

ANNEX I

The land referred to in Article 2 of the contract is a portion of land owned by R. L. Ball and his wife, Drusciller (Drusilla) Ball, conveyed by a deed from Arthur Quillians and Lillie Quillians, dated March 23, 1938, and recorded in the Office of the Register of Deeds for Jackson County, North Carolina, in Book 132, page 36, the boundaries of which portion are more specifically described as follows:

Beginning at a stake in the Branch; thence S. 21° W. 32 poles to a stake on top of ridge; thence S. 37° E. 32 poles to a stake; thence N. 50° E. to the Branch, then with said branch N. 48° W. and with its meanders to the Beginning: containing 10 acres more or less.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 952
Contract Date MAY 18 1956

RECEIVED
MAR - 6 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Jackson, State of North Carolina, described as follows:1/ Being a parcel of land carved out of the deed to T. L. Hall and wife Dorothy Hall, dated March 30, 1950 and recorded in the office of the Register of Deeds for Jackson County, North Carolina, in Book 192, Page 36, and bounded as follows: Beginning at a stake in the Branch thence N-31-W 32 poles to a stake on bank of stake thence N-37-E 32 poles to a stake, thence N-50-E to the Branch, then with said Branch S-49-W and with the meanders to the BEGINNING; containing 10 acres more or less.

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

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

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

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

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

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

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

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

5. Added provision: _____

Dated this 1st day of March, 1956.

Robert Hall [Seal]

Drusilla Hall [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

RECEIVED
MAY 28 1956

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMEA-4203

EXHIBIT "A"

Description of the Work

The location of the work is shown generally on the map entitled "Location Map No. 1, DMEA-4203," and specifically on the map entitled "Hall Mine, DMEA-4203-Mica, Jackson Co., N.C. Map No. 2," both of which are attached hereto and made a part hereof. The work shall consist of the following:

1. Lower existing cut. Approximate dimensions of new excavation will be 25 feet by 5 feet by 2 feet.

2. Construct:

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

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

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

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

The powder and exploder magazines shall be braced 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 doors shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

3. Drive 80 feet of adit on the pegmatite having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

1. Excavate floor of cut having approximate dimensions 25 feet by 5 feet by 2 feet 10 cubic yards @ $10.00/cu. yd.		$ 100.00	
2. Construct:			
Toolhouse	$76.00 1/		
Exploder Magazine	15.00 1/		
Powder Magazine	25.00 1/	116.00	
3. Drive 80 feet of adit @ $32.00/ft.		2,560.00	
Estimated Total Cost of Project			$2,776.00
Government Participation @ 75%			$2,082.00

1/ The completed work constitutes the unit.

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OFFICIAL FILE COPY

Date	Surname	Code
3/12	Anderson	600
3/12	Hook	600
3-12	Chambers	800
3/13	Selledge	130
"	Johnson	110
"	Mittendorf	100
3/14	C	220
		225

600

MAR 12 1957

Carolina Mining Company
Box 114
Franklin, North Carolina

Re: Docket No. DMA-4203-ala
Carolina Mining Company
Hall Mine
Jackson County, North Carolina
Contract No. Ida-8952

Yoza Kilsgaard

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 DMA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. D. Mittendorf

Administrator

WCAnderson:mc 3/11/57
Copy to: Docket
Admr. R. File
Mr. Chambers
Mr. Kilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
Mr. & Mrs. Robert Hall (landowners)

8623.

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6)

OFFICIAL FILE COPY

Date	Surname	Code
3/12	Anderson	600
3/14	Hoch	600
3-12	Chamber	800
3/13	Selfridge	130
"	Johnson	110
"	Ettendorf	100
3/14	C	220
		225

600

MAR 12 1957

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

Re: Docket No. DMEA-4205-atm
Carolina Mining Company
Hall Mine
Jackson County, North Carolina
Contract No. Idm-8952

Dear Mr. Lawrence:

We are enclosing a copy of our closing letter on the subject contract to be forwarded to Mr. and Mrs. Robert Hall, who executed a Consent to Lien on the property, March 1, 1956.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (WB)

Approved:

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

Thor H. Kiilsgaard (WB)
Member, Geological Survey

WCAnderson:ms 3/11/57
Copy to: Docket
Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061

Enclosure

8623

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OFFICIAL FILE COPY

Date	Surname	Code
3/12	Anderson	600
3/12	Hook	600
		800
		120
		~~110~~
		100
		220
		225

600

Project Summary Report

March 8, 1957

By: Walter C. Anderson

1. Docket No. DMEA-4205-mica
Contract No. Idm-E952
Hall Mine
Jackson County, North Carolina

Application: Form MF-103 (April, 1952) received March 6, 1956

Work proposed by applicant:

60 feet of shaft @ $50/ft.	$3,000.00
100 feet of drifts @ $35.00/ft.	3,500.00
Total amount requested	$6,500.00

Operator: Roy H. Fouts and William Dinnes
d/b/a Carolina Mining Company
Box 314, Franklin, North Carolina

Operator's Property Rights:
Mining lease continuing until January 1, 1957 on the Hall property, consisting of 100 acres more or less, dated February 21, 1956.
Consent to Lien of Owner - dated March 1, 1956

2. Contract: Form MF-200A (June, 1954) dated May 18, 1956

Work Authorized:

Surface excavation	$ 100.00
Construction - toolhouse, powder and exploder magazines	116.00
80 feet of adit @ $32.00/ft.	2,560.00
Estimated total cost of project	$2,776.00
Government participation @ 75%	$2,082.00

8623

Amendments - none

Work Completed:

Surface excavation	$ 100.00
Construction - toolhouse, powder and exploder magazines	116.00
29 feet of adit @ $32.00/ft.	928.00
Total accepted cost	$1,144.00
Government participation	$ 858.00

Work began on June 9, 1956 and was termined by mutual agreement, effective July 25, 1956.

Field Team Final Report received September 4, 1956

Operator's Final Report received August 13, 1956

Royalty received amounts to $1.45 which accounts for all the mica produced during operations.

The Field Team estimated the value of production to be $18.49. It can be assumed that no more mica has been produced subsequently, since the Operator indicated in his final report that this is not a mica producer.

No equipment purchased under contract.

3. Audit:

Report of Review issued August 30, 1956

Total accepted cost	$1,144.00
Government participation	858.00

4. Certification of Discovery - none issued

5. Comments:

How Conducted:

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

Operation:

Good

Engineering:

Reporting by the Operator was acceptable

Geological Premise:

The outcrop indicated a good mineralogical enviroment, but the pegmatite pinched out a short distance from the adit portal. The largest and most productive part of the body had

apparently been eroded away.

Geological criteria upon which work was based:

1. Pegmatite - unweathered, conformable, mica-bearing pegmatite exposed in heading, 2½ feet thick, composed of massive quartz (1-foot thick), sodic-plagioclase feldspar, muscovite, and sericite.
   Country rock - hard, garnetiferous-biotite gneiss.
2. Mica - ruby, flat, free-splitting, 3 to 6 inches wide, very little staining, some bent and ruled.
3. Past Production - A small amount

Criteria developed during project:

1. Pegmatite - zoned, 2 feet thick, pinching out at the 24-foot point in the adit. Two horizontal holes were drilled from the end of the adit (29 feet) entirely in gneiss.
2. Mica - Only 50 pounds were recovered, coming from near the portal of the adit.

Future possibilities:

None

Recommendations:

Since very little pegmatite was found, the major portion apparently having been eroded away down the hillside, the Field Team recommends that no certification be made. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and the Geological Survey concur.

WCAnderson:ms 3/11/57
Copy to: Docket
Admr. R. File
Mr. Anderson

Walter C. Anderson

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 4205, Idm-E952
Carolina Mining Co.
Hall Mine
Jackson Co., N. C.
Approved - $2,776.00
Expended - $1,144.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report.

The contract approved the expenditure of $2,776.00 on a work program consisting of bulldozing and drifting on a narrow quartz cored pegmatite. Good mica had been recovered from a 10-foot pit.

The bulldozing was done and the adit was driven 29 feet. The composition and strike of the pegmatite changed at the 20-foot point. The pegmatite changed to a quartz dike and pinched out at the 24-foot point. Fifty pounds of ruby block mica was recovered most of which came from near the portal.

Because of the unfavorable development the contract was terminated, $1,144.00 having been expended. The examiners and the Field Team recommend that no certification be made.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

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

RECEIVED
SEP 21 1956

September 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4205 (mica)

Applicant: Carolina Mining Co.

Name and Location of Property: Hall Mine, Jackson County, N. C.

Contract Number: Idm-E 952

Date of Field Team Report: 8/30/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/6/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The contract was terminated by mutual agreement because the pegmatite pinched out.

2. Possibility for discovery of a worthwhile deposit of strategic mica is considered poor.

3. Expenditures -

Total approved	$2,776.00
Total cost	1,144.00
Gov't. share of the cost	858.00
Value of production during operation	18.49

Recommendation:

I concur with the field team's recommendation for no discovery.

W. F. Dietrich

W. F. Dietrich

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

RECEIVED
SEP - 4 1956

August 30, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Final Report, DMEA-4205, Idm-E952 (mica)
Carolina Mining Company, Franklin, North Carolina
Hall Mine, Jackson County, North Carolina

Enclosed are four copies of the subject final report.

Certification is not recommended.

Robert A. Laurence
Robert A. Laurence

Enclosures 4

Reviewed by
DMEA OPERATING COMMITTEE
9-7-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
SEP 4 1956

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-4205, Idm-E952 (mica) HALL MINE
Jackson County, North Carolina

By

A. R. Taylor, Geologist
U. S. Geological Survey

and

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

August 30, 1956

DMEA STATUS
9-7-56

EXPLORATION PROJECT

FIELD TEAM FINAL REPORT, REGION V

RECEIVED
SEP 4 1956

On

DMEA-4205, Idm-E952 (mica) HALL MINE

Operator: Carolina Mining Company, Box 314, Franklin, North Carolina

Summary

Work completed under the contract consisted of lowering the existing open cut and driving 28 ft of adit. The project was terminated by mutual agreement and did not result in a discovery of strategic mica. It is recommended that no certificate of discovery be issued.

Introduction

The Hall mine is 1.1 airline miles N. 40° W. of Jones Knob in the SE 1/3 of the Greens Creek Quadrangle, N. C., TVA, 166-SE, Jackson County, North Carolina.

Work under the contract began on June 9, 1956 and was terminated effective July 25, 1956, by mutual agreement because the pegmatite pinched out.

The Operator made a substantially larger open cut in hard rock (at his own expense) than called for in the contract. The contract called for a cut 25 ft long, 5 ft wide, and 2 ft deep, but the cut made was 33 ft long, 5 ft wide, and 4 ft deep. The lowering of the cut required drilling and blasting.

An adit was driven for 29 ft from the eastern end of the cut; 12 ft was driven S. 80° E, thence 17 ft N. 20° E.

Facilities built included a tool house, and powder and exploder magazines.

The Operator used a new Atlas Copco 109 c.f.m. diesel-powered air compressor, a rock drill, a jackleg, and small tools.

Geology

The 2-ft thick zoned pegmatite changed in composition and attitude from a plagioclase-quartz-muscovite dike striking N. 75° E. and dipping 67° SE at the portal to a quartz dike at the 20-ft point in the adit with a strike of N. 20° E. and a dip of 65° SE. The pegmatite pinched out at the 24-ft point, but stringers of feldspar and quartz were followed to the 29-ft station. Stringers of quartz and feldspar fill fractures in the country rock, garnet- biotite gneiss, and crosscut the foliation normal to the dike. These stringers pinch and swell from 1 inch to 4 inches in thickness.

Pyrite is associated with both the conformable dike and the stringers.

Two horizontal 5-ft percussion drill holes (one trending N. 80° E. on the footwall side of the adit at the 25 ft point, and the other trending N. 5° W. on the hanging wall side at 29 ft), were drilled entirely in gneiss. Two other holes normal to the walls, cut through gneiss.

A total of approximately 50 lb. of ruby block muscovite was recovered, most of which came from near the portal in the plagioclase zone of the pegmatite. One five pound block of excellent ruby muscovite at the 8-ft point, measuring 3" x 5", represented the largest and best recovered.

Conclusions

The target as presented in the examination report afforded a good mineralogic environment, but apparently, as the dike pinches out into the hillside, the largest and most productive part of that body has been eroded off to the southwest.

The Operator conducted the project in a safe, efficient, and workmanlike manner.

It is recommended that the project not be certified as a discovery.

Expenditures

(a.)	Total amount of Contract	$2,776.00
(b)	Total spent	1,144.00
(c)	Government's participation	2,082.00
(d)	Government's share unexpended	1,224.00
(e)	Value of production	18.49
(f)	Royalty to date	0.92

August 30, 1956

A. R. Taylor, Geologist
U. S. Geological Survey

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

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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 1050 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 17, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: Termination Agreement - Idm-E952, DMEA-4205 (mica)
Carolina Mining Co. Hall Mine

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

Robert A. Laurence
Robert A. Laurence

RECEIVED
AUG 21 1956

Docket copy

TERMINATION AGREEMENT

It is agreed this 13th day of August, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Carolina Mining Company, hereinafter called the "Operator," parties to Exploration Project Contract Idm-8852 (Docket No. DMEA-4383), dated May 18, 1956, hereinafter called the "Contract," that:

1. Effective July 23, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and lien for its payment, records, audit, and recovery of any overpayment, are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

Indrtg 8/6/56
Dunger
Appd. Sol. Off.

By Robert A. Lawson
Executive Officer
DMEA Field Team, Region V

CAROLINA MINING COMPANY

By Roy H. Fouts
Roy H. Fouts (Partner)

By William Dimmes
William Dimmes (Partner)

FROM SOLICITOR
AUG 7 1956
FOR SIGNATURE

Hopkins
Hoole
Chambers
Martin
T. E. Johnson
Mitchendson

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

RECEIVED
AUG 13 1956

August 9, 1956

Memorandum

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

From: Field Team - DMEA - Region V - Knoxville

Subject: Operator's Final Report, DMEA-4205, Idm-E952 (mica)
Carolina Mining Company, Franklin, N. C.
Hall Mine, Macon County, North Carolina

Enclosed are four copies of the Operator's final report. Work on the project has stopped, pending approval of the termination agreement, as requested in our memorandum of July 31.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

ENGINEERING AND GEOLOGIC REPORT

Carolina Mining Company
P. O. Box 314
Franklin, North Carolina

Contract No. IDM-E-952
DMEA - 4205 - Jackson
County, N. C. - Mica

This contract byaand between Carolina Mining Company and the Government was signed May 18, 1956 and on June 9, 1956 work got under way.

Subject contract called for lowering existing cut 25 feet by 5 feet by 2 feet, construct toolhouse, powder storage magazine, and exploder storage magazine. Then drive 80 feet of adit on the pegmatite. This was to be done under standard mining specification and safety rules.

The existing cut was lowered and the operator moved twice the amount of rock which contract called for, but was advantageous to operator in future operations had this mine been a mica producer, even though the operator did this at his own expense.

A tool house, powder storage magazine and exploder storage magazine was built all to the specifications of the standard approved method.

An adit was drove 28 feet, which runs S. 80° E for the first 12' thence N 30° E the remaining 17'. This was in solid material which necessitated blasting every foot of the way, and was an opening 5' & 7' in the clear.

The pegmatite completely pinched out at 24' but we followed stringers the remaining 5'. The country rock was garnatite Biolite gneiss, containing stringes of quartz. The pegmatite contained white sugar quartz flanked by inches of feldspar. It had a 65° dip along the folation.

The mica was Ruby, and total production was 50 lbs of mine run block.

RECEIVED
AUG 8 - 1956
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 15 POST OFFICE BLDG
KNOXVILLE 2, TENN.

RECEIVED
AUG 1 9

August 9, 1956

Memorandum

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

From: Field Team - DMEA - Region V - Knoxville

Subject: Operator's Final Report, DMEA-4205, Idm-E952 (mica)
Carolina Mining Company, Franklin, N. C.
Hall Mine, Macon County, North Carolina

Enclosed are four copies of the Operator's final report. Work on the project has stopped, pending approval of the termination agreement, as requested in our memorandum of July 31.

Robert A. Laurence
Executive Officer

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

RAL/mg
Enclosures 4
cc
Operating Committee (3)
Lynch
Shirley
files

ENGINEERING AND GEOLOGIC REPORT

RECEIVED AUG 13 1956

Carolina Mining Company
P. O. Box 314
Franklin, North Carolina

Contract No. IDM-E-952
DMEA - 4205 - Jackson
County, N. C. - Mica

This contract byaand between Carolina Mining Company and the Government was signed May 18, 1956 and on June 9, 1956 work got under way.

Subject contract called for lowering existing cut 25 feet by 5 feet by 2 feet, construct toolhouse, powder storage magazine, and exploder storage magazine. Then drive 80 feet of adit on the pegmatite. This was to be done under standard mining specification and safety rules.

The existing cut was lowered and the operator moved twice the amount of rock which contract called for, but was advantageous to operator in future operations had this mine been a mica producer, even though the operator did this at his own expense.

A tool house, powder storage magazine and exploder storage magazine was built all to the specifications of the standard approved method.

An adit was drove 28 feet, which runs S. 80° E for the first 12' thence N 30° E the remaining 17'. This was in solid material which necessitated blasting every foot of the way, and was an opening 5' & 7' in the clear.

The pegmatite completely pinched out at 24' but we followed stringers the remaining 5'. The country rock was pegmatite Biotite gneiss, containing stringers of quartz. The pegmatite contained white sugar quartz flanked by inches of feldspar. It had a 65° dip along the foliation.

The mica was Ruby, and total production was 50 lbs of mine run block.

RECEIVED
AUG 8 - 1956
U.S. Geological Survey
Knoxville, Tenn.

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

RECEIVED
AUG 13 1956

August 9, 1956

Memorandum

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

From: Field Team - DMEA - Region V - Knoxville

Subject: Operator's Final Report, DMEA-4205, Idm-8952 (mica)
Carolina Mining Company, Franklin, N. C.
Hall Mine, Macon County, North Carolina

Enclosed are four copies of the Operator's final report. Work on the project has stopped, pending approval of the termination agreement, as requested in our memorandum of July 31.

Robert A. Laurence
Executive Officer

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

RAL/mg
Enclosures 4
cc
Operating Committee (3)
Lynch
Shirley
files

ENGINEERING AND GEOLOGIC REPORT

Carolina Mining Company
P. O. Box 314
Franklin, North Carolina

Contract No. IDM-7-952
DMMA - 4205 - Jackson
County, N. C. - Mica

This contract by and between Carolina Mining Company and the Government was signed May 18, 1956 and on June 9, 1956 work got under way.

Subject contract called for 1 vertical existing cut 25 feet by 5 feet by 2 feet, construct toolhouse, powder storage magazine, and explosive storage magazine. Then drive 80 feet of adit on the pegmatite. This was to be done under standard mining specification and safety rules.

The existing cut was lowered and the operator moved twice the amount of rock which contract called for, but was advantageous to operator in future operations had this mine been a mica producer, even though the operator did this at his own expense.

A tool house, powder storage magazine and exploder storage magazine was built and to the specifications of the standard approved method.

An adit was drive 28 feet, which runs S. 80° E for the first 12' thence N 30° E the remaining 17'. This was in solid material which necessitated blasting every foot of the way, and was an opening 5' & 7' in the clear.

The pegmatite completely pinched out at 24' but we followed stringers the remaining 5'. The country rock was pegmatite biotite gneiss, containing stringers of quartz. The pegmatite contained white sugar quartz flanked by inches of feldspar. It had a 65° dip along the foliation.

The mica was tiny, and total production was 50 lbs of mine run block.

RECEIVED
AUG 8 - 1956

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

600

DOCKET COPY
Surname:
Houk
Chambers
Martin
Jefferson
McKinstry

AUG 10 1956

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

Re: Docket No. DMEA-4205-mica
Carolina Mining Company
Hall Mine
Jackson County, North Carolina
Contract No. Idm-8952

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of July 31, 1956, recommending termination of the subject contract by mutual agreement.

We have prepared and enclose the original and five copies of a Termination Agreement, with effective date as shown, for your signature. If it meets with your approval, please sign it in behalf of the Government and present it to the operator for approval and signature.

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

After execution of the Termination Agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

Approved:

FRANK D. LAMB (JHB)
Member, Bureau of Mines

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

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

JHopkins:ms 8/8/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

Enclosures: 6

R.C.L.

ACTION ON INTERIM 4205
OR FINAL FIELD TRAM REPORT
Date 8-2

Referred to:

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

Note comments in report regarding:

1. Mutual termination recommended
2.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

In preparation

Robert L. Adams

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

RECEIVED
AUG 1 1956

July 31, 1956

Memorandum

To: Operating Committee, DMEA- Washington

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

Subject: DMEA-4205, Idm-E952 (mica) Carolina Mining Co., Franklin, N.C.; Hall Mine, Jackson County, N. C.

Enclosed are four copies of the latest interim report on the subject contract. Further work seems inadvisable, and we request termination agreement be prepared effective July 25, 1956. Certification will not be recommended.

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

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

INTERIM REPORT

RECEIVED
AUG - 1 1956

DMEA-4205, Idm-E952 (Mica) HALL MINE

Operator: Carolina Mining Company, P. O. Box 314, Franklin, North Carolina

Location: 1.1 Airline miles N40°W of Jones Knob in the SE 1/3 of the Greens, North Carolina, TVA Quadrangle, 166 SE, Jackson County, North Carolina

Drifting has been in progress on this contract since completion of open cut excavation. Twenty-nine feet of total drift has been completed; 12 feet was driven S80°E and the remaining 17 feet was driven N20°E. At the 24 foot point in the drift the pegmatite began thinning and cut out completely at 29 feet. The operator drilled 5 foot test holes in both walls at near right angles to the drift direction and placed two similar holes in the face, none of which encountered pegmatite. The Field Examiners recommend that this contract be terminated, and the operator is in agreement, by mutual consent of both parties.

The drift work followed a pegmatite body 2 to 2.5 feet thick containing a quartz core, feldspar and medium sized blocks of good quality muscovite mica. About 50 pounds of mine-run block was produced from all of the drift work.

The operator conductad this work in a very efficient manner and is to be commended for setting up a good operation. It is unfortunate that the pegmatite did not persist along strike.

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

A. R. Taylor, Geologist
U. S. Geological Survey

July 23, 1956

INTERIM REPORT

RECEIVED
JUL 20 1956

DMEA-4205, Idm-E952 (Mica) HALL MINE

Operator: Carolina Mining Company, P. O. Box 314, Franklin, North Carolina

Location: 1.1 Airline miles N40°W of Jones Knob in the SE 1/3 of the Greens, North Carolina, TVA Quadrangle, 166 SE, Jackson County, North Carolina

The excavation of an existing open cut from an existing roadway to the original drift face has been completed. This work required the removal of approximately 24.5 cubic yards of hard rock. Dimensions of the cut was actually 33 feet long, 5 feet wide and 4 feet deep. The operator was advised that his claim could not exceed the maximum figure as provided in the contract. Drifting is now underway and has advanced 8 feet. Approximately 25 pounds of mine-run book mica has been recovered to date, most of which is of good quality. One book of excellent quality mica, weighing approximately 5 pounds and measuring 3 inches x 5 inches was recovered from the last heading pulled.

Progress on this contract has been good. The mine is using good equipment and is working steadily. The operator was advised to timber underneath a vertical overhang at the drift portal as soon as practical.

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

A. R. Taylor
A. R. Taylor, Geologist
U. S. Geological Survey

July 9, 1956

INTERIM REPORT

DMEA-4205, Idm-E952 (Mica) HALL MINE

Operator: Carolina Mining Company, P. O. Box 314, Franklin, North Carolina

Location: 1.1 Airline miles N40°W of Jones Knob in the SE 1/3 of the Greens, North Carolina, TVA Quadrangle, 166 SE, Jackson County, North Carolina

Excavation of an existing open cut by benching methods is underway on this contract. The work has begun at a point near the existing roadway and will be driven to the present face, partially at the operators own expense. This will facilitate mucking operations and will keep the roadway clear. The operator was advised that the government payments could not exceed the ten cubic yards set up in the contract originally. An area 15 feet long, 5 feet wide and 6 feet deep has been benched to date.

Equipment on the job consists of a new 105 C.f.m. Copco Diesel-powered compressor with new rock hammer and Swedish Chisel-bit drill steel as acessory items, and necessary hand tools.

Progress on this contract is satisfactory.

RECEIVED JUN 23 1956

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

June 18, 1956

INTERIM REPORT

RECEIVED
JUN 15 1956

DMEA-4205, Idm-E952 (mica) HALL MINE

OPERATOR: Carolina Mining Co., P. O. Box 314, Franklin, N. C.

LOCATION: 1.1 airline miles N40°W of Jones Knob in the SE 1/3 of the Greens N. C., T.V.A. Quadrangle, 166 SE, Jackson Co., N. C.

The starting date on this contract is June 4, 1956. Necessary tools, timber and pipe have been moved to the mine site. A powder and exploder magazine have been built but have not been placed in acceptable locations. Open cut work by benching to lower the floor of an existing cut is expected to begin within the coming week. Discussion of the contract was held with the Operator. Another visit will be made in the near future.

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

June 4, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1024 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
MAY 28 1956

May 24, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E952, DMEA-4205 (mica)
Carolina Mining Company, Franklin, N, C,

Transmitted are three signed copies of the subject contract.

The usual distribution of the other copies hasbeen made by this office.

V. J. Lynch

V. J. Lynch

DOCKET COPY
Surname:

Hopkins
Houk
Chamberlin
Selfridge
Johnson
Weisdorf

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

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

MAY 18 1956

Re: Docket No. DMEA-4205-mica
Carolina Mining Company
Hall Mine
Jackson County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I, Consent to Lien, Exhibit "A"(2 pages) and two maps of the Hall Mine. Two extra copies of Annex I, Exhibit "A", and maps are enclosed for the use of the Field Team.

If the proposed contract meets with your approval, present it to the Applicant for execution. Please explain to the Applicant 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 Applicant and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of Annex I, Exhibit "A" and maps are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated April 27 and May 2, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Approved:

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

Thor H. Kiilsgaard (JB)
Member, Geological Survey

Enclosures: 12

JHopkins:ms 5/2/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

R.C.S.

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

May 2, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4205 (mica)

Applicant: Carolina Mining Co., (R. H. Fouts)

Name and Location of Property: Hall Mine, Jackson Co., N. C.

Date of Field Team Report: 4/19/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 4/30/56

Field Team Recommendation: Recommend exploration program at an estimated cost of $2,928.00.

Comments:

1. This deposit appears to have possibilities for the development of strategic mica.
2. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation: I concur with the field team's recommendation.

W. F. Dietrich

W. F. Dietrich

RECEIVED
MAY 3 - 1956

IN REPLY REFER TO:

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

April 27, 1956

Re: DMEA 4205 (Mica)
Carolina Mining Co.
Hall Mine
Macon Co., N. C.
Estimated - $6,500.00
Recommended - $2,928.00

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a 2- to 2½-foot pegmatite in which a 10-foot pit had been dug, from which 10.51 pounds of good stained mica was recovered. The mica was sold for $236.19.

The examiners recommend that a drift adit 80 feet long be driven into the hill, after the floor of the cut has been lowered. The estimated cost of the recommended work is:--

Lowering cut 9.26 yards at $10.00	$ 92.60
Buildings, magazines, etc.	114.00
Drifting 80 feet	2,722.00
	$2,928.60

The pegmatite has a quartz core and six crystals of 2"x2"x6" flat ruby mica are exposed.

I concur with the recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

RECEIVED
APR 30 1956

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

RECEIVED
APR 23 1956

April 20, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4205, Hall Mine (mica)
Carolina Mining Co., c/o Roy H. Fouts, Franklin, N. C.

Transmitted are the original and three copies of the subject examination report and nine extra copies of the map.

The Field Team concurs with the recommendation set forth in this report for the exploration outlined.

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

S. C. Bergman
S. C. Bergman, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
4-25-56
(date)

EXAMINATION REPORT

On

DMEA-4205 (mica) HALL MINE
Jackson County, N. C.

RECEIVED
APR 23 1956

Applicant: Carolina Mining Co., c/o Roy H. Fouts , Box 314, Franklin, N.C.

Summary

A mica-bearing pegmatite, 2 ft in thickness is exposed in an open cut in hard, unweathered rock. This is a relatively new prospect that warrants exploration for strategic mica. It is recommended that the application be approved.

General

The Hall Mine is 1.1 airline miles N 40° W of Jones Knob in the SE 1/3 of the Greens Creek, N. C., TVA, Quadrangle, 166-SE, 1/24,000, edition of 1941.

It was examined in the company of Mr. R. L. Hall and Mr. Roy Fouts March 16, 1956. One hour was spent on the examination.

The mine is accessible by jeep access road. No buildings or facilities exist near the prospect.

Mr. Fouts and Mr. Dinnes have been associated with DMEA contracts in the past and are competent and responsible miners.

Geology

Present workings consist of a 6 ft wide, 0-6 ft deep cut, trending S 65° E for 25 ft, thence N 80° E for 18 ft (20 ft in depth - see map). All workings are in extremely hard, unweathered material. The floor of the cut is about 6 ft higher than the road.

An unweathered undulating, essentially conformable mica-bearing pegmatite dike is exposed in the heading, wall, and floor of the N 80° E trending cut. It is 2 - 2 1/2 ft in thickness and is composed mainly of a continuous massive quartz core (1 ft thick) with a 6-inch zone of sodic-

plagioclase feldspar, muscovite, and sercite on each side of the quartz. Biotite is rare in the feldspar zone. The dike intrudes a highly foliated, hard, garnetiferous-biotite gneiss which strikes N 20° E to N 80° E and dips 57° SE to 67° SE (see map).

Flat ruby muscovite, 3-6 inches wide, exhibits some rare mineral stains on the crystal edges. It is free splitting, but is occasionally bent and ruled. Six crystals exist, in place (sect. A-A'). They are 2" x 2" x 6", and are grouped in the feldspar zone, adjacent to, and penetrating the quartz core.

Mineralogically, the environment for the occurrence of strategic muscovite is good. The applicant states that....."17.68 lbs of mica, of which 10.51 lbs was good stained," was sold recently for $236.19.

Conclusions and Recommendations

It is recommended that the application be approved, and that the exploration be undertaken on this relatively new and unexplored prospect. The pegmatite exhibits zoning and strategic muscovite in place.

It is recommended that the existing floor of the cut be lowered 2 ft to facilitate drainage and the removal of muck. A cut 25' x 5' x 2' in depth is recommended.

A total of 80 feet of adit should be driven into the hillside following the dike.

Cost Estimate:

Lower existing cut (25' x 5' x 2') in hard rock.

9.26 cu. yds. @ $10/cu. yd $92.60
(In hard rock-will require blasting)

Toolhouse	$76.00	
Exploder Magazine	13.00	
Powder Magazine	25.00	$114.00

Drive 80 feet of adit in extremely hard and unweathered garnetiferous biotite gneiss. Allowing 1.75 ft per shift time will be 45 shifts

Labor:	1 - Miner @ $1.50/hr.	$540.00	
	2 - Laborers @ $1.00/hr	720.00	1,260.00

Equipment:

Owned by Operator-total value $8,401.00	
Depreciation for 3 months	622.00

Supplies:

Drill steel	120.00	
Gas and oil	160.00	
Explosives	250.00	
Timber-1000 b.f. @ $65/M	65.00	
Miscellaneous	100.00	
Liability Ins.	90.00	
Social Sec., and Unemployment Ins.	36.00	
Sales tax	19.00	840.00

Estimated Total cost of Project..... $2,928.00

80 ft of adit @ $34.02/ft. 32

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

A. L. Peyton, Mining Engineer
Bureau of Mines

April 19, 1956

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

RECEIVED
APR 1 3 1956

April 10, 1956

Memorandum

To: Operating Committee - DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-4205, (mica) Carolina Mining Co., Franklin, N. C.
Hall Mine, Macon County, N. C.

Enclosed is a copy of a list of equipment and values submitted by the Applicant in connection with the subject application.

Robert A. Laurence
Robert A. Laurence

y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1605 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
APR 1 0 1956

April 10, 1956

Memorandum

To: Operating Committee - DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville

Subject: DMEA-4205, (mica) Carolina Mining Co., Franklin, N. C.
Hall Mine, Macon County, N. C.

Enclosed is a copy of a list of equipment and values submitted by the Applicant in connection with the subject application.

Robert A. Lawrence

RAL/mm
cc:
Lynch
Shirley
Files

CAROLINA MINING COMPANY
P. O. BOX 314
FRANKLIN, NORTH CAROLINA

April 4, 1956

RECEIVED
APR 12 1956

DMEA

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

Dear Mr. Lawrence:

The enclosed lot of equipment is owned by, or between partners of Carolina Mining Company and is earmarked for operation at the Hall Mine. The same lot or its equivalant there of is available for the Clark Mine.

In the beginning all the equipment will not be used as each exploration project is set up in stages, however; it is necessary to incumber the entire amount for each operation. In doing so your equipment is not only tied up for the 3 months it takes to complete the operation but at least a six month period, taking into consideration inclement weather.

This lot of equipment is the bare necessity for a successful exploration project.

Yours very truly,

CAROLINA MINING COMPANY

RECEIVED
APR 9 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Roy H. Fouts

Roy H. Fouts

William Dinnes

William Dinnes

RECEIVED
APR 23 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

On

DMEA-4205 (mica) HALL MINE
Jackson County, N. C.

By

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

A. L. Peyton, Mining Engineer
Bureau of Mines

April 19, 1956

Reviewed by
DMEA OPERATING COMMITTEE
4-25-56
(date)

CAROLINA MINING COMPANY

FRANKLIN, NORTH CAROLINA
SCHEDULE OF DEPRECIATION ON
EQUIPMENT FOR ESPLORATION ORDER
DMEA - FOR THREE MONTHS.

DESCRIPTION	cost	Depreciation	Life Used Years
Model 125 Jaeger Compressor, Complete W/ASC and Mounted on two Pneumatic wheels, or its equivelant	$ 3,560.00	225.00	4
One CH & E Model 21 AC Single drum, Single acting hoist. capacity 3,000 lgs., 190 FPM line speed, silent chain drive, Leroi Model 3140 PSE, 4 Cylinder 25 HP Radiator cooled, engine mounted, or its equivelant	1,474.96	92.18	4
One Marlow Model 12 HEL-Self Priming standard fitted Centrifugal pump. complete with close coupled General Electric single phase motor, with 15' suction hose, f foot valve, 1½" Gate valve, fittings, and 15' Discharge hose	475.00	59.37	2
One Bufflo Blower, equipped with V-belt Drive and 3 HP General Electric Motor or its equivelant if Electric power is not available.	475.00	29.69	4
One, RH 656 4W Rock Drill, Air feed leg & Lubricator, Complete with 3/4" hose set.	650.00	81.25	2
Two - 50' length 3/4" Eimco wire braid hose	85.20	10.65	2
Four - 3/4" male couplings complete	10.60	1.33	2
Four - 3/4" Female couplings complete	11.48	1.44	2
Two - 50' length 1/2" Eimco Wire Braid hose	66.60	8.33	2
Four - 1/2" Male couplings complete	6.56	.82	2
Four - 1/2" Female couplings complete	6.48	.81	2
Six - 1" Male spuds	6.36	.80	2
Sia - 1" Female Spuds	6.36	.80	2

CAROLINA MINING COMPANY, THREE MONTHS DEPRECIATION SCHEDULE ON EQUIPMENT CONTINUED: P-2

DESCRIPTION	C O S T	DEPRECIATION	LIFE USED YEARS
One - 250 Gal, High pressure tank for compressed water drilling.	250.00	15.63	4
Three - 2" Gate valves	24.00	1.50	4
Two - 1" Gate valves	9.75	.61	4
Two - 3/4" Gate Valves	6.75	.42	4
Two - 1/2" Gate Valves	3.50	.22	4
150' of 2" pipe @ 50¢ per foot	75.00	4.69	4
150' of 1" pipe @ 24¢ per foot	26.50	2.28	4
100' of 3/4" pipe @ 20¢ per foot	20.00	1.25	4
100' of 1/2" pipe @ 14¢ per foot	14.00	.88	4
One Wheelbarrow, large construction	27.50	3.44	2
Hand Tools - Saw, axe, crow-bar, picks, shovels, Rockhammers, etc.	125.00	15.62	2
Electrical equipment - Float switches, wire, starters etc.	175.00	12.88	2
~~EXXXXXXXXXXXXXXXXXXXXXXXX~~			
One - Willys Jeep, Used	800.00	50.00	4
TOTALS	$ 8,401.60	$ 621.90	

DOCKET COPY
Surname:

Hopkins
Houk
Gehon
Kiilsgaard
Selfridge
Johnson

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

MAR 23 1956

Carolina Mining Company
Box 314
Franklin, North Carolina

Re: Docket No. DMEA-4205-Mica
Carolina Mining Company
Hall Mine
Jackson County, North Carolina

Gentlemen:

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

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,

[illegible] dorf

Administrator

JHopkins:ms 3/20/56
Copy to: ✓Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

R. E. G.

DOCKET COPY
Surname:

Hopkins
Houk
Selfridge
Fogleman

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

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

MAR 23 1956

Re: Docket No. DMEA-4205-Mica
Carolina Mining Company
Hall Mine
Jackson County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated March 9 and 14, 1956, by Mr. N. E. Nelson, USGS and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures: 4

JHopkins:ms 3/20/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

R.C.L.

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

RECEIVED
MAR 14 1956

March 14, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4205 (mica)

Applicant: Carolina Mining Co., (Roy H. Fouts)

Name and Location of Property: Hall Mine, Jackson Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/8/56

Comments:

1. Recent surface operations produced 17.68 pounds of mica which was sold to Spruce Pine.
2. This deposit appears to have possibilities for the development of strategic mica.
3. It appears a field examination is necessary to determine the feasibility of a project.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAR 12 1956

March 9, 1956

Re: DMEA 4205
Carolina Mining Co.
(Roy Fouts & Wm. Dinnes)
Hall Mine
Jackson Co., N. C.
$6,500.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests Government participation in shaft sinking, drifting and/or crosscutting a pegmatite on which a cut 10 feet deep has been made and from which 10.51 pounds of good stained mica was recovered. The pegmatite is widening 'going down' according to the application.

The work proposed consists of:--

Shaft sinking, 60 feet	$3,000.00
Drifting or crosscutting, 100 feet	3,500.00
Total	$6,500.00

Perhaps bulldozing would uncover more of the pegmatite and afford a look at another place.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

March 8, 1956
Subject: DMEA-4205
Re: Exploration Assistance
Hall Mine

Carolina Mining Company
Box 314
Franklin, North Carolina

Gentlemen:

The receipt of your application dated March 1, 1956, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4205 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

March 8, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA - 4205 Carolina Mining Company

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

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

RECEIVED
MAR - 6 1956

March 5, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Application from Carolina Mining Co., Franklin, N. C.
Hall Mine, Jackson County, North Carolina (Mica)

Enclosed are three copies of the subject application, received at this office today, and one copy of the lease.

We are keeping the fourth copy for our use.

Robert A. Laurence
Robert A. Laurence

Enclosures 4

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
MAR - 6 1956

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

Not to be filled in by applicant

Docket No. DMEA-4205
Metal or Mineral Mica
Date Received 3-6-56
Estimated Cost $6,500.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Carolina Mining Company
Box 314 Roy H. Fouts William Dinnes
Franklin, N. C. Franklin, N. C. Franklin, N. ?C.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract Being a parcel of land described in MF-203 carved out of Deed to R. L. Hall & Wife Druesillar Hall dated March 23, 1938 and recorded in Register of Deed for Jackson County, North Carolina Book 132, page 36.

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

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. none

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

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

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

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

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. One mile from Highway 441, ten Miles from Sylva, N. C.

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

16—66551-1

Manpower plenyful, Material & Supplies Fair, Water & Electricty on Property, Equipment in Atlanta, Georgia and Spruce Pine, N. C. Each 140 Miles away.

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

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

(*c*) The work will start within 90 days and be completed within 6 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated March 1, 1956

CAROLINA MINING COMPANY
(Applicant)

By Roy K. Gaulz
William Simms

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

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

EXIBIT "A"

RECEIVED
MAR - 0 1956

4. - a -Mr. R. L. Hall and son removed about 10 cubic yard of ore making a small open cut to a depth of 10 feet.

b - In the above hand operation, Mr. Hall sold to General Service Administration Depot, in Spruce Pine, N. C., 17.68 lbs of mica, of which 10.51 lbs was good stained. This ratio would have been higher if the mica had been properly prepared.

c - The Country rock is typical gneisses, cristalized from surface. This rock is cut by a pegmatite which strikes Northeast and dips Southeast. The gneissic foliation along the contact is a hanging wall toward the Southwest. The pegmatite body was from 6" on the top to 3' in the bottom and is widening out and dipping toward the Southwest. It is composed of a quartz core, flanked by feldspar, which contains the muscovite, and is light rum and of very good quality.

5 - b - We propose to put down a 60' shaft 5' X 7' with a man way compartment 2' X 7' having a staggered ladder to bottom. After the shaft is completed we plan to make a 100' crosscut and/or drift on or about the 55' level which is 6' X 6' in the cross sections.

d - The applicant is associated with Mica Development Corporation Supervising the mining, extraction, and prepairing mica for market and has been for the past several years.
Monroe L. Wilson will supervise the operation, and is experienced with the extraction of Mica.

EXIBIT "B"

6. ESTIMATE OF COST:

1. Sixty feet of Shaft @ $50.00 per foot		$ 3,000.00
2. One Hundred Feet of Drift @ $35.00 per Foot		3,500.00
Mine Tool Shed	$ 150.00	
Magazine for Dynamite	25.00	
Magazine for Exploders	13.00	
Labor:		
Foreman	$ 12.00	
Driller	10.00	
Mucker	8.00	
Hoist Operator	8.00	
Total per day	$ 38.00	
$38.00 per day and 110 Working days to Complete Contract	4,180.00	
Dynamite and Exploders: $6.26 Cost per foot, 160 feet @ $6.26 per foot	1,001.16	
Drill Steel, 2 pcs drill steel for $38.25, Steel will average 500' and 100' per 5' X 7' @ $7.65 32 rounds @ $7.65 per round	244.80	
Timber for mine	250.00	
Gasoline and Oil	289.40	
Rental on equipment	325.00	
Misc. Expense	21.20	
	$6,500.00	$6,500.00

Mining Lease

STATE OF NORTH CAROLINA

COUNTY OF MACON

RECEIVED
MAR - 6 1956

This Lease Agreement, made and entered into this the 21st day of February, 1956, by and between R. L. HALL and wife DRUSCILLA HALL, party of the first part, and Carolina Mining Company, party of the second part.

W I T N E S S E T H:

That subject to the terms and conditions hereinafter set forth, said parties of the first part have let and leased and by these presents do hereby let and lease unto said party of the second part, its successors and assigns, the right and privilege to mine, dig, mill, process and remove all mica, clays, rocks, and other minerals now in, under or upon a certain tract or parcel of land lying and being in Jackson County, North Carolina, and more particularly described and bounded as follows:

"The lands described in this deed being on the waters of Savannah Creek and known as the Poplar Cove lands. BEGINNING on A. Iron Stake on a ridge, formerly a pine and runs S. 65 W. 39 poles to a stake at branch; thence S. 21 W 32 poles to a stake on top of ridge; thence S. 15 E. with ridge 52 poles to a stake; thence S. 5 W 36½ poles to a stake; thence South 32 poles to a stake formerly a chestnut; thence East 100 poles to a chestnut stump on mountain; thence North 30 poles to a stake; thence East 30 poles to a stake formerly a poplar; thence North 100 poles to a Chestnut oak, Garlins Buchanans corner; thence N.78 W. with said Buchanans and Cabes line 100 poles to the BEGINNING. Containing One Hundred (100) Acres more or less." Being the land described in a deed from Arthur Quilliams and wife Lillie Quilliams to R.L. Hall and wife Druesillar Hall, dated March 23, 1938, and recorded in the Office of the Register of Deeds for Jackson County, N.C., in Book 132, Page 36.

The terms and conditions of this lease are as follows:

Unless sooner terminated as herein provided, this lease shall exist and continue until the 1st day January 1957.

As rental, party of the second part, or their duly constituted agent, shall pay or cause to be paid to parties of the first part, or their duly constituted agent, the following:

(1) Five percent (5%) of the market value of all scrap Mica mined and removed.

(2) Ten Percent (10%) of the market value of all other Mica and clays mined and removed.

(3) Ten percent (10%) of the market value of all other minerals mined and removed.

(4) Five cents ($.05) per cubic yard for all rock mined and removed.

Said rental shall be paid monthly on or before the 15th day of each calendar month of all sums due for the proceding month.

Party of the second part shall keep a correct record of all mica, clays, rock and other minerals mined and removed under this lease, and such records may at any time be inspected by parties of the first part, or their duly constituted representative, for the purpose of ascertaining the amount of rental due on or at any rental payment date. Party of the second part shall furnish to parties of the first part a duplicate invoice of all mica, clays, rock and other minerals sold.

So long as this lease remains in force, party of the second part shall in connection therewith have and enjoy the following rights and privileges:

(a) The right to the use of the surface of said land to the full extent that such use is reasonably convenient or necessary in mining, digging, and removing said mica, clays, rock and other minerals.

(b) The right to construct and place upon said land buildings and machinery and to remove the same.

(c) The right to construct and maintain roads in such locations as may be necessary to convenient in operating under this lease, together with the right to cut and remove timber to clear such roadways.

(d) The right to cut and remove such timber as may be reasonably necessary or convenient for such operation.

It is expressly understood and agreed that the mining operation under this lease shall begin within one year from the date hereof, and failure to operate under this lease, on a commercial basis, after operation have begun, for a period of six month, shall terminate this lease. Failure to pay the rental as hereinabove provided, when due, shall also terminate this lease.

It is further expressly understood and agreed that party of the second part, its successors and assigns, shall have the right to extend the term of this lease for an additional period of Three

(3) years, Beginning on the day of this lease, upon the same terms and conditions as hereinabove set out, provided the parties of the first part are notified by parties of the second part in writing of its intention to extend same, said notice to be given at least thirty (30) days prior of its termination of said lease, and provided further that this lease has not sooner terminated as hereinabove provided.

If operation is not completed at the end of the above mentioned 3 years, it is expressly understood and agreed that the party of the second part may continue to operate until such operation is completed, provided however that lease has not sooner terminated.

If the estate of either party hereto, is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership or assignment of rental or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned, as to a part or parts of the above described lands and the assignee or assignees of such parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rental.

If at any time there be as many as four parties entitled to rental or royalties, lessee may withhold payments his payments thereof unless said parties designate in writing, in a recordable instrument to be filed with the lessee, a common agent to receive all payments due hereunder, and to execute division and transfer orders on behalf of said parties and their respective successors in title.

IN TESTIMONY WHEREOF, said parties hereto have executed this lease Agreement in triplicate, one for which is retained by each of the parties, and one for Defense Minerals Exploration Administration, Washington, D. C., the day and year first above written.

(Witness: Marie Jennings) R. L. (his x mark) Hall (SEAL)
Drusella Hall (SEAL)

CAROLINA MINING COMPANY
By Roy H. Foote
By William Simms

STATE OF NORTH CAROLINA
COUNTY OF Jackson

I, Marie Jennings, a Notary Public in and for the aforesaid County and State, do hereby certify that the above parties personally appeared before me this day and acknowledged the due execution by them of the annexed Lease Agreement for the purposes therein expressed.

WITNESS my hand and Notarial Seal, this the 22nd day of February, 1956.

Marie Jennings
Notary Public of Macon Co N.C.

(S E A L)

My Commission Expires:
July 26, 1956.

STATE OF NORTH CAROLINA
JACKSON COUNTY
The foregoing or annexed certificate of Marie Jennings a Notary Public of Macon County, N C
exhibited to me in writing, verified by oath, to be correct, and the law in such case made and provided.
Let the said instrument be registered.
This 23 day of February 1956.
Wilma Jones
Ass't Clerk Superior Court.

Ray Fouts
Franklin

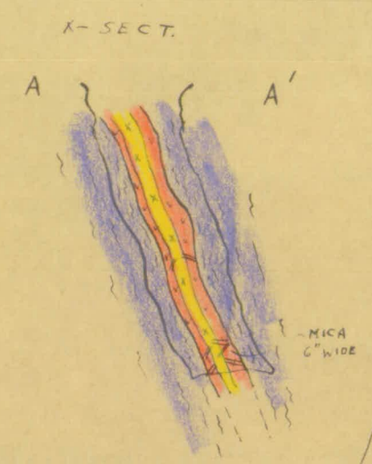
[illegible]
[illegible] County
[illegible] at Register of Deeds office
[illegible] on the 23 day of
Feb. 1956 2:00 o'clock P. M.
[illegible] 24
Feb. 1956
209 208
Glenn Hughes

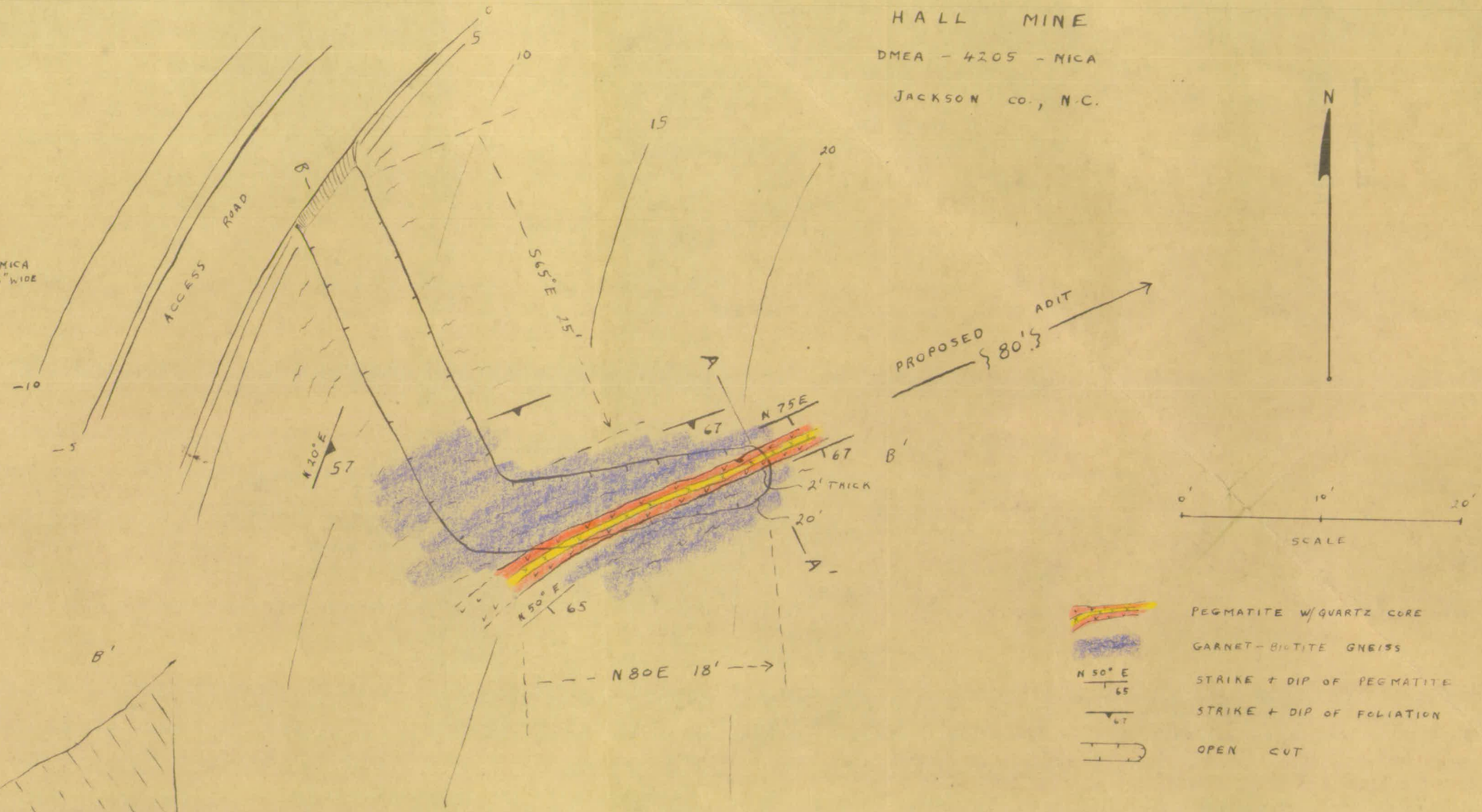
Reg. Fee 3.00 Pd
CSC Fee 25¢ Pd.

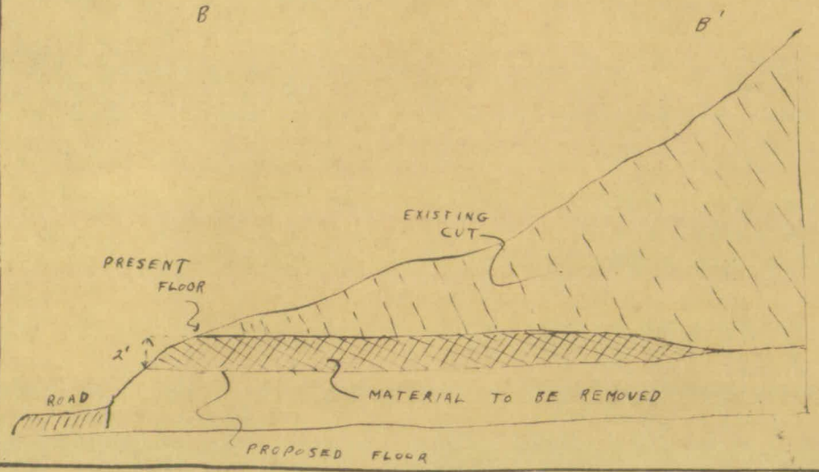
HALL MINE

DMEA - 4205 - MICA

JACKSON CO., N.C.



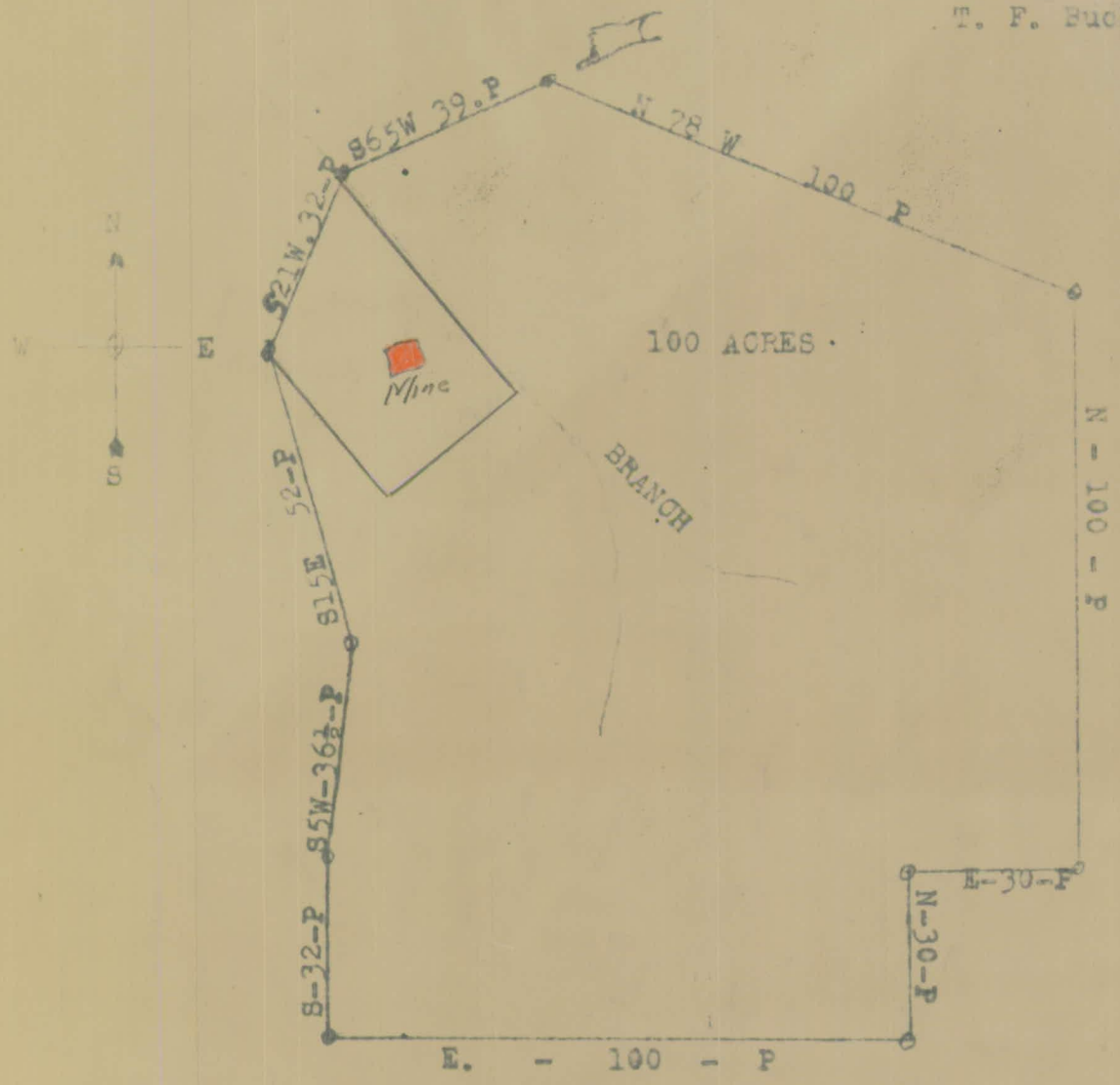




TAYLOR - 4-18-56

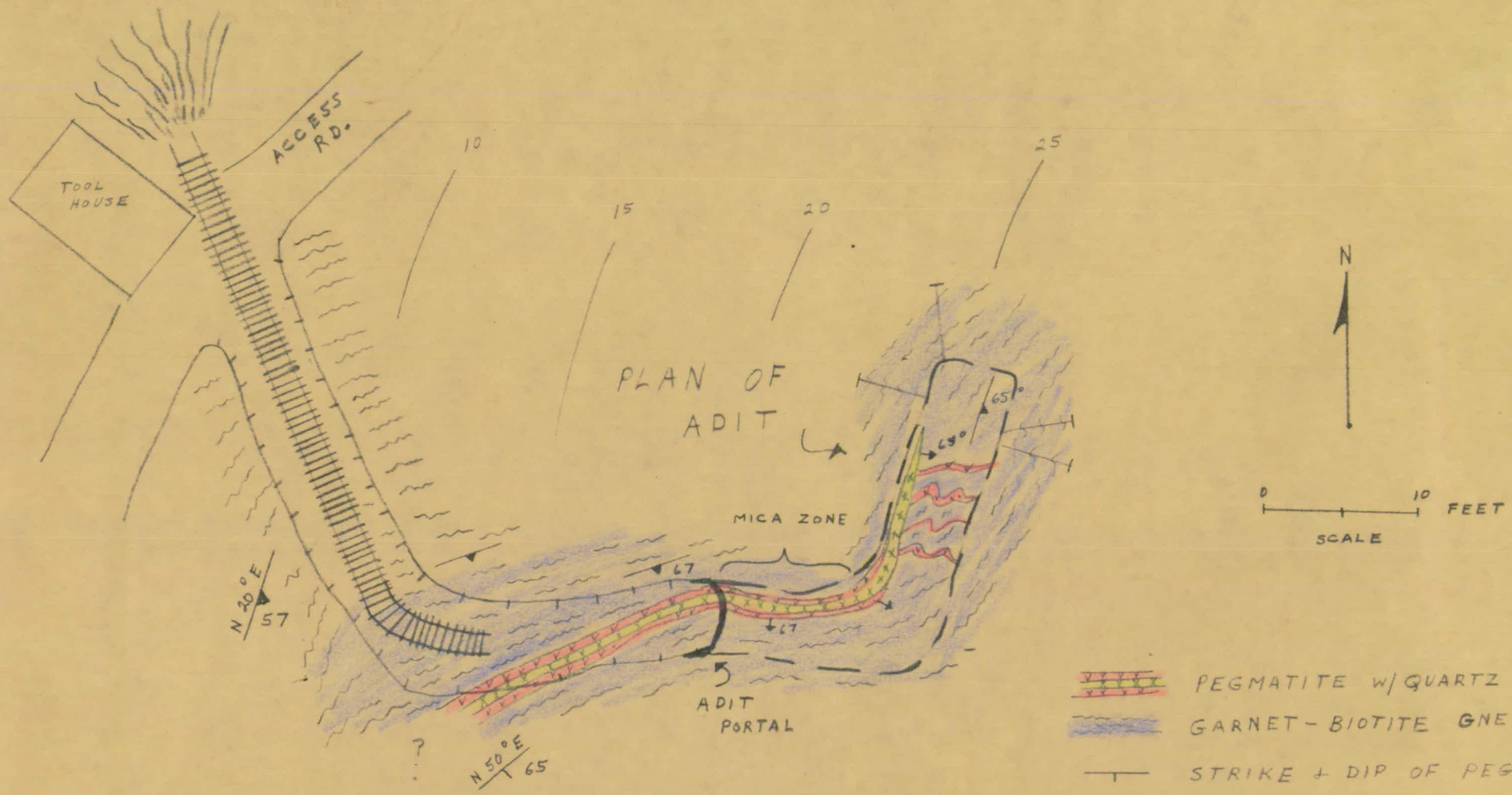
Scale 32 Poles to Inch.

Survey made by
T. F. Buchanan



CAROLINA MINING CO
HALL MINE
JACKSON COUNTY N C

LOCATION MAP NO. 1 DMEA 4205



DMEA - 4205, IDM-E-952 (MICA)

HALL MINE

JACKSON CO., N.C.

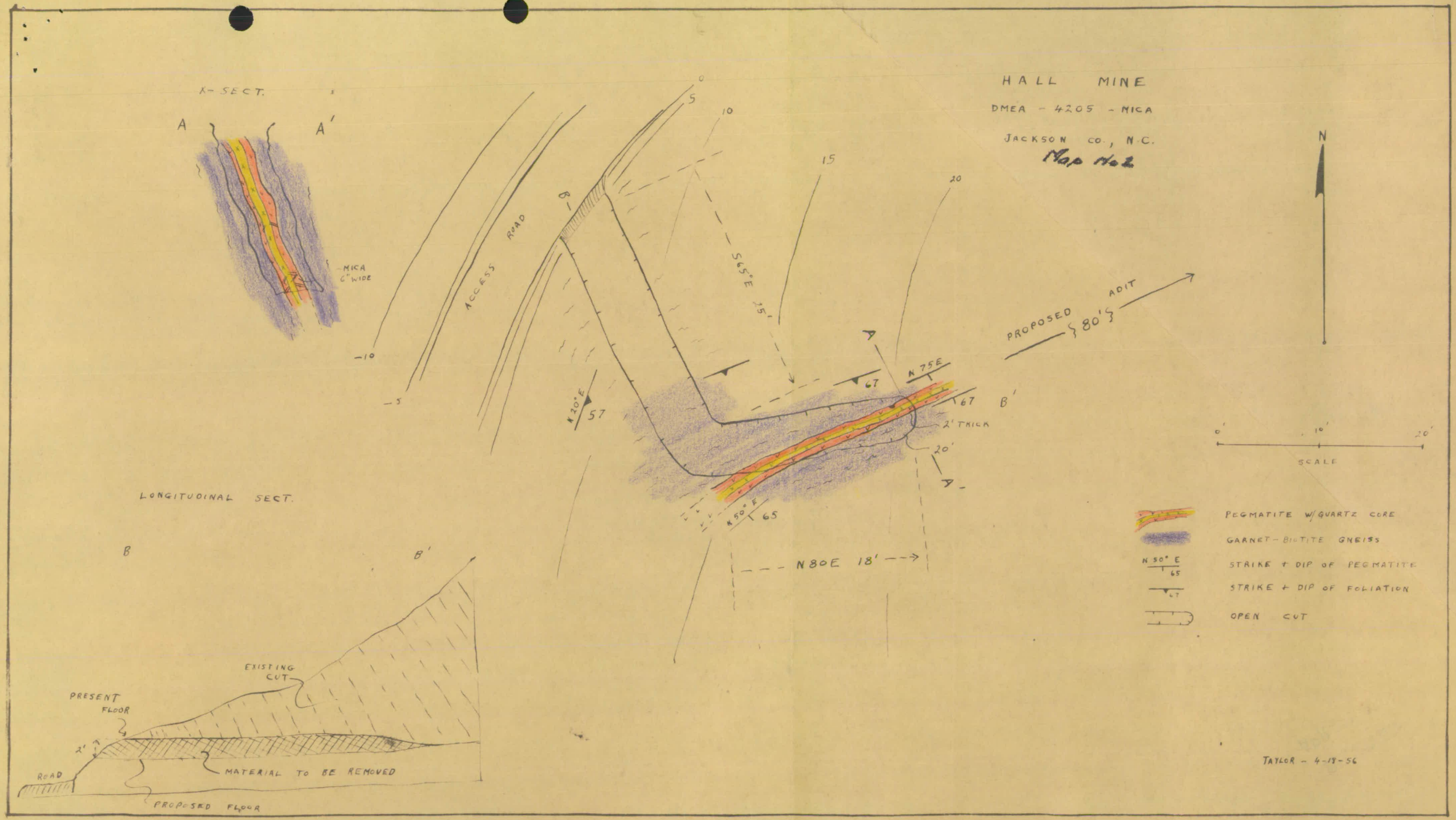
TAYLOR 8-18-56

HALL MINE

DMEA - 4205 - MICA

JACKSON CO., N.C.

Map No 2



TAYLOR - 4-18-56