DMEA 4224

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 3-22-56

2. CONTRACT DATE 5-21-56

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

Extra copy

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 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-8954 (Docket No. DMEA-4236), 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_____
Executive Officer
DMEA Field Team, Region V

CAROLINA MINING COMPANY

By_____
Roy H. Fouts (Partner)

By_____
William Dismas (Partner)

Docket copy

RECEIVED
JUN - 4 1956

MF-200A
(Revised June 1954)

Docket No. DMEA-4224

Commodity Mica

Contract No. Idm-E 954

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

It is agreed this MAY 31 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 consisting of Roy H. Fouts and William Pinnes, whose mailing address is P. O. 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 map.

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of North Carolina, County of 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: None

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

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

16—70818-1

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before JUL 15 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 $3,823.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $2,873.00: *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.

Indirtz 4/30/56
Lawyer
"Appd. Sol. Off."
Hydin
Zook
Gamber
Selfridge.

CAROLINA MINING COMPANY
(Operator)

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

By William Dinnes
William Dinnes (Partner)

THE UNITED STATES OF AMERICA

By O P 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

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMRA-4224

RECEIVED
4 1986

ANNEX I

The land referred to in Article 2 of the contract is a portion of the land owned by D. M. Clark and his wife, Edith Elizabeth Clark, conveyed by a deed from Collins' heirs recorded in Book 109, Page 386, in Office of Register of Deeds, Jackson County, North Carolina, more specifically described as follows:

> Beginning on a Spruce Pine, then running North 500' to a chestnut stump; thence North 35 degrees East 530 feet to a Black Pine; thence South 60 degrees East 400 feet to a stake; thence South 565 feet to a stake; thence up the branch 495 feet more or less to the beginning. Containing 8 acres more or less.

RECEIVED
JUN - 4 1956

EXPLORATION PROJECT CONTRACT
CAROLINA MINING COMPANY
DOCKET NO. DMEA-4224

EXHIBIT "A"

Description of the Work

The approximate location of the exploration work is shown in part on the map entitled "Clark Mine DMEA-4224-Mica, Jackson Co., N. C.," attached hereto and made a part hereof. The work is divided into stages as herein indicated. The Operator shall perform Stage I, and shall perform so much of Stage II as the Government approves in writing.

Stage I

Excavate a trench having approximate dimensions of 105 feet long by 18 feet (average) wide by 10 feet (average) deep. The approximate location of the trench is shown on the attached map.

Stage II

1. Construct:

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

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

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

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

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

2. Drive not more than a total of 100 feet of adit and/or cross-cut and/or incline 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 the approval of the Government.

Fixed Unit Costs

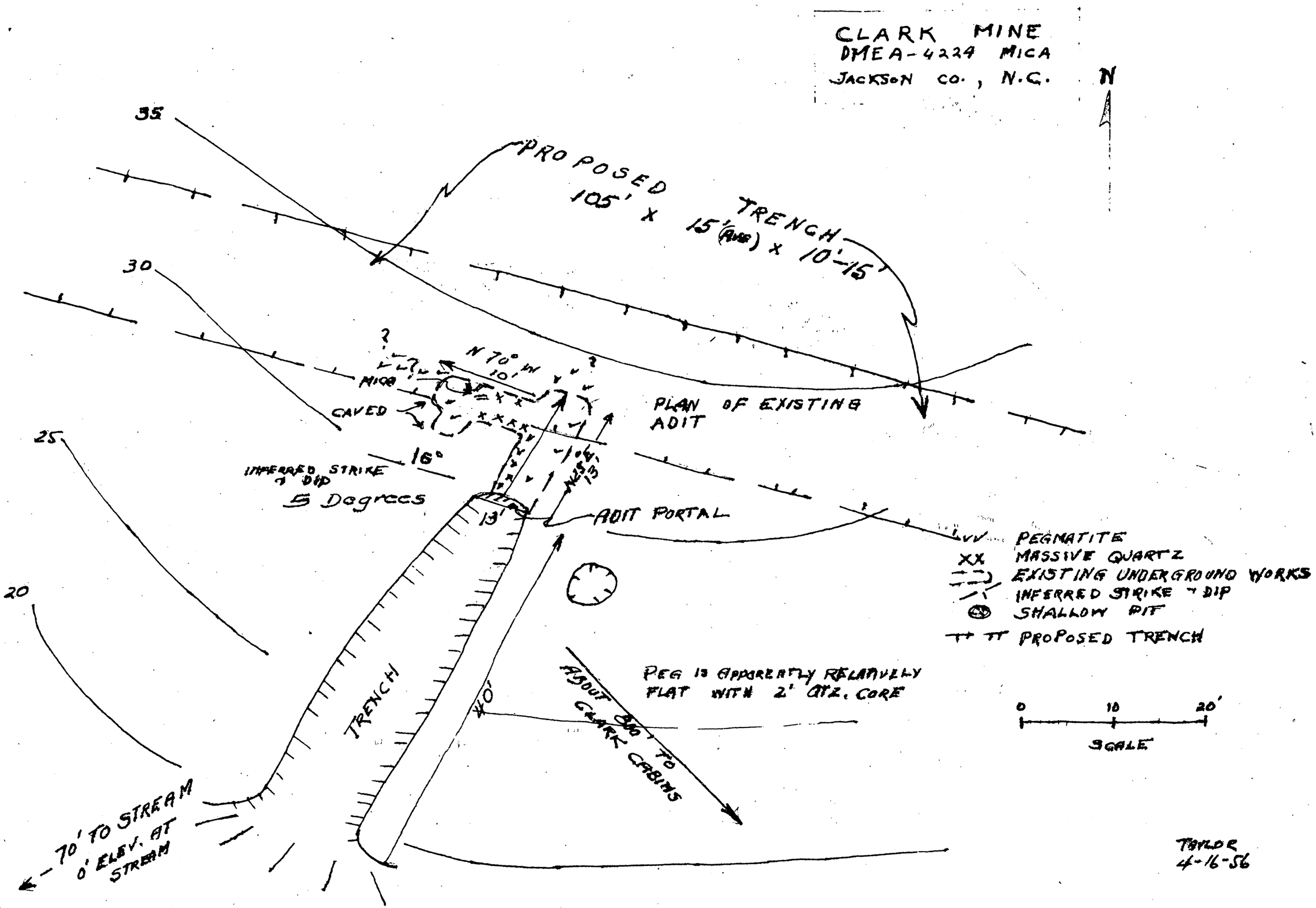
Stage I

1. Excavate trench approximately 105 feet by 18 feet by 10 feet - 700 cubic yards @ $0.30/cu. yd.		$ 210.00

Stage II

1. Construct:		
Toolhouse 1/	$76.00	
Exploder Magazine 1/	16.00	
Powder Magazine 1/	26.00	118.00
2. Drive 100 feet of drift and/or cross-cut and/or incline @ $31.00/ft. for all footage inclined less than 5 degrees, and @ $35.00/ft. for all footage inclined 5 degrees or more		3,500.00
Estimated Total Cost of Project		$3,828.00
Government Participation @ 75%		$2,871.00

1/ The completed unit constitutes the work.


CLARK MINE
DMEA-4224 MICA
JACKSON CO., N.C.
N
35
30
25
20
PROPOSED TRENCH
105' x 15' (AVG) x 10'-15'
N 70° W
10'
MICA
CAVED
PLAN OF EXISTING ADIT
16°
INFERRED STRIKE & DIP
5 Degrees
13'
ADIT PORTAL
PEGMATITE
MASSIVE QUARTZ
EXISTING UNDERGROUND WORKS
INFERRED STRIKE & DIP
SHALLOW PIT
PROPOSED TRENCH
TRENCH
40'
ABOUT 300' TO CLARK CABINS
PEG IS APPARENTLY RELATIVELY FLAT WITH 2' QTZ. CORE
0
10
20'
SCALE
70' TO STREAM
0' ELEV. AT STREAM
TAYLOR
4-16-56

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator CAROLINA MINING COMPANY
Docket No. DMEA- 4224
Contract No. Ida-E 954
Contract Date MAY 21 1956

RECEIVED
JUN - 4 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/ A portion of the land owned by D. H. Clark and his wife, Edith Elizabeth Clark, conveyed by a deed from Collins' heirs recorded in Book 109, Page 386, in Office of Register of Deeds, Jackson County, North Carolina, more specifically described as follows:

Beginning on a Spruce Pine, then running North 500' to a chestnut stump; thence North 35 degrees East 530 feet to a Black Pine; thence South 60 degrees East 400 feet to a stake; thence South 565 feet to a stake; thence up the branch 495 feet more or less to the beginning. Containing 8 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 _____ day of _____, 195__. address

D H Clark _____ [Seal] Route # 2

D. H. Clark

Edith Elizabeth Clark _____ [Seal] Sylva, N. C.

Edith Elizabeth Clark

_____ [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]

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/14	Anderson	600
3/15	Hook	600
3/15	Talbert	800
3/15	Selfridge	120
"	[illegible]	110
"	Hittendorf	100
3/18	C	220
		225

600

MAR 15 1957

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

Re: Docket No. DMEA-1224-nica
Carolina Mining Company
Clark Mine
Jackson County, North Carolina
Contract No. Idm-8954

Gentlemen:

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

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

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

Sincerely yours,

C. O. Hittendorf
(esg)

Administrator

WCAnderson:ms 3/14/57
Copy to: Docket
Admr. R. File
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
Mr. & Mrs. D. H. Clark (landowners)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/14	Anderson	600
3/15	York	600
3/15		800
3/15	Selfridge	120
"	[illegible]	110
"	Chotkevicz	100
3/18	C	220
		225

600

MAR 15 1957

Mr. and Mrs. D. H. Clark
Route #2
Sylva, North Carolina

Re: Docket No. DMEA-1224-nlca
Carolina Mining Company
Clark Mine
Jackson County, North Carolina
Contract No. Idm-2934

Dear Mr. and Mrs. Clark:

Reference is made to the undated ~~Generic~~ Consent to lien which you executed in connection with the DMEA contract for an exploration project on your property located in Jackson County, North Carolina.

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

Sincerely yours,

R. D. Hittendorf
(esf)

Administrator

Enclosure

WCAnderson:ms 3/14/57
Copy to: Docket
Admr. R. File
Field Team, Region V
Mr. Kiilegaard, 5222
Mr. Dietrich, 3061

2/28/59

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/14	Anderson	600
3/15	[illegible]	600
3/16	Talbert	800
		120
		110
		100
5/15	C	220
		225

600

March 14, 1957

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-4224-mica
Contract No. Ida-E954
Clark Mine
Jackson County, North Carolina

Application: Form MF-103 (April, 1952) received March 22, 1956

Work proposed:

Bulldozing to uncover pegmatite, 60 feet of shaft and 100 feet of drifts and/or crosscuts.
Amount requested - $6,500.00

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

Operators' Property Rights:

Three year lease on the D. H. Clark property, containing 35 acres mor or less, dated February 14, 1956.
Consent to Lien of Owner

2. Contract: Form MF-200A (June 1954) dated May 21, 1956

Work Authorized:

Stage I	
Excavate trench	$ 210.00
Stage II	
Construction - toolhouse, powder and exploder magazines	118.00
Drive 100 feet of drift and/or cross-cut and/or incline @ $35/ft.	3,500.00
Estimated total cost of project	$3,828.00
Government participation @ 75%	$3,228.00

8623

Amendments:
None

Work Completed:

Excavating trench	$ 210.00
Construction - toolhouse, powder and exploder magazines	118.00
29 feet of drifts	899.00
Total Accepted Cost	$1,227.00
Government contribution	$ 920.25

Work began on June 6, 1956, and was terminated by mutual agreement effective July 10, 1956.
Field Team Final Report received August 20, 1956.
Operator's Final Report dated August 10, 1956.
There are no significant reserves.
Royalty received amounts to $2.75, which accounts for all the mica produced during operation.
No equipment purchased under contract.

3. Audit:
Report of Review issued August 24, 1956

Total Accepted Cost	$1,227.00
Government participation	$ 920.25

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 mica-rich exposure of pegmatite continued for only a short distance in the adit and completely pinched out at 29 feet.

Geological criteria upon which work was based:
1. Pegmatite - mica-bearing, zoned, flat lying, about 2½ feet thick with a 2-foot quartz core.

Composed of kaolinized feldspar, massive quartz, ruby muscovite, and some sericite. Country rock is a weathered biotite gneiss.

2. Mica - ruby in color, clear, flat and 5 inches by 3 inches in width.

3. A little past production.

Criteria developed during project:

1. Pegmatite - Peanut-like shape (pods - connected) for a distance of 15 feet in adit, then a thin stringer which pinched out at 29 feet. The country rock is a soft, weathered mica schist.

2. Mica - thin ribbon, very badly bent and soft. Of mica recovered, only 1.6% trimmed mica was obtained, most of which was stained and heavy stained.

Future possibilities:

none

Recommendations:

Because of the sudden demise of the pegmatite which started out promising, the Field Team recommends no certification. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey concur.

Walter C. Anderson

WCAnderson:ms 3/14/57
Copy to: Docket
Admr. R. File
Mr. 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 4224, Idm-E954
Carolina Mining Co.
Clark Mine
Jackson Co., Tenn.
Approved $3,828.00
Expended 1,227.00
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 expenditure of $3,828.00 was approved for a work program consisting of bulldozing and drifting.

The bulldozing exposed a low dipping lense of pegmatite containing wide thin books of strategic ruby muscovite.

An adit was driven 29 feet on the pegmatite. About halfway in the pegmatite pinched. It continued to be mica-bearing but the quality dropped, due perhaps to slippage. Little strategic mica was recovered and the contract was terminated, $1,227.00 having been expanded.

The examiners and the Field Team recommend that no certificate of discovery be issued.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

August 29, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4224 (mica)

Applicant: Carolina Mining Co.

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

Contract Number: Idm-E 954

Date of Field Team Report: 8/17/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/21/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The pegmatite suddenly pinched out at 29 feet.
2. The project was terminated by mutual consent.
3. Expenditures -

Total approved	$3,828.00
Total cost	1,227.00
Gov't. share of the cost	920.25
Value of production during operation	unknown

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.

August 17, 1956

Memorandum

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

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

Subject: Final Report, DMEA-4224, Contract Idm-E954 (mica)
Carolina Mining Company, Franklin, North Carolina
Clark Mine, Jackson County, North Carolina

Enclosed are four copies of the final report on the subject contract, which was terminated by mutual agreement.

We agree that it should not be certified.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

RECEIVED
AUG 20 1956

Reviewed by
DMEA OPERATING COMMITTEE
8-22-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-4224, Idm-E954 (mica) CLARK 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

Reviewed by
DMEA OPERATING COMMITTEE
8-22-56
(date)

August 17, 1956

EXPLORATION PROJECT

FIELD TEAM FINAL REPORT, REGION V

On

DMEA-4224, Idm-E954 (mica) CLARK MINE

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

Summary

This project was terminated after 29 ft of adit was driven. The work completed did not result in a discovery of significant reserves; therefore, it is recommended that no certificate of discovery be issued.

General

Location

The mine is 0.75 airline miles N. 35° E. of the junction of the Jackson and Macon County lines and U. S. Highway No. 23 in Jackson County, North Carolina (Greens Creek, N. C., TVA Quadrangle 166-SE, 1/24,000).

Work under Contract

Work began on Stage I on June 6, 1956, and was terminated by mutual agreement effective July 10, 1956.

Stage I consisted of excavation by bulldozer of an east-west trench which is 140 ft long, 60 ft wide, and 15 ft deep. The Operator spent $100.00 more in the excavation than was allowed under the contract. He did this extra work to better expose the body and to provide for good access for future work in the area. A total of about 5,000 cubic yards of material was removed, of which about 1,200 cubic yards were from the trench.

Under Stage II a tool house (20' x 10' x 8'), a powder magazine, and an exploder magazine were constructed. The Operator made the tool house larger than that allowable in the contract at his own expense.

An adit was driven on pegmatite for 29 feet in a N. 20° W. direction from the portal. It was timbered solid overhead with oak and stulled on 4-ft centers to the 15 ft point with 8 inch oak.

The Operator used a spader with some drilling. A 125 cfm. Jaeger Air Compressor was used. The powder used was 40% Dupont gelatin.

Geology

The pegmatite was relatively flat-lying as inferred in the examination report (April 17, 1956) and was almost entirely cut out by the bulldozing.

The pegmatite in the adit assumed a peanut-like shape (pods-connected) from the portal to the 15-ft point. From that point it became a thin stringer and curved upward to pinch out overhead at the 29-ft point.

Wide thin books of good strategic ruby muscovite were recovered from the contact zones in the pegmatite during the bulldozing. About 250 pounds of "mine-run-block", 6 inches wide and 1/4 to 1/2 inch thick was recovered during Stage I.

About 125 pounds of the very thin books (up to 6 inches wide) were recoveredfrom the weathered pods in the adit. The muscovite in the contact zones in the adit is thin ribbon mica, very badly bent and soft. Slickensides along the contacts indicate a horizontal movement that may account for the thin books. The books, oriented parallel to the stringer and pod contacts seem to have been slid (as a deck of cards may be) along their cleavage planes by the movement.

The country rock, a mica schist, is invariably weathered, in the same places it is very soft.

Production

About 375 pounds of wide, bent, thin "mine-run-block" muscovite was recovered.

Of the 250 pounds of block from the bulldozing only 4 pounds of trimmed muscovite was recovered on an over-all recovery of 1.6%. The percentage of good stained was .4%.

Good stained	2 x 2	3 oz.
	4 x 5	13 oz.
Stained	4 x 5	1 lb.
Heavy stained	4 x 5	2 lb.
Total		4 lb.

Conclusions

Although it started out quite promising, the sudden demise of the pegmatite at 29 feet makes it impossible to estimate any economic reserve. Certification is therefore not recommended.

Expenditures

(a)	Total amount of Contract	$3,828.00
(b)	Total spent	1,227.00
(c)	Government's participation	920.25
(d)	Government's share unexpended	1,950.75
(e)	Value of production	Not known ✓?
(f)	Royalty to date	None

August 17, 1956

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

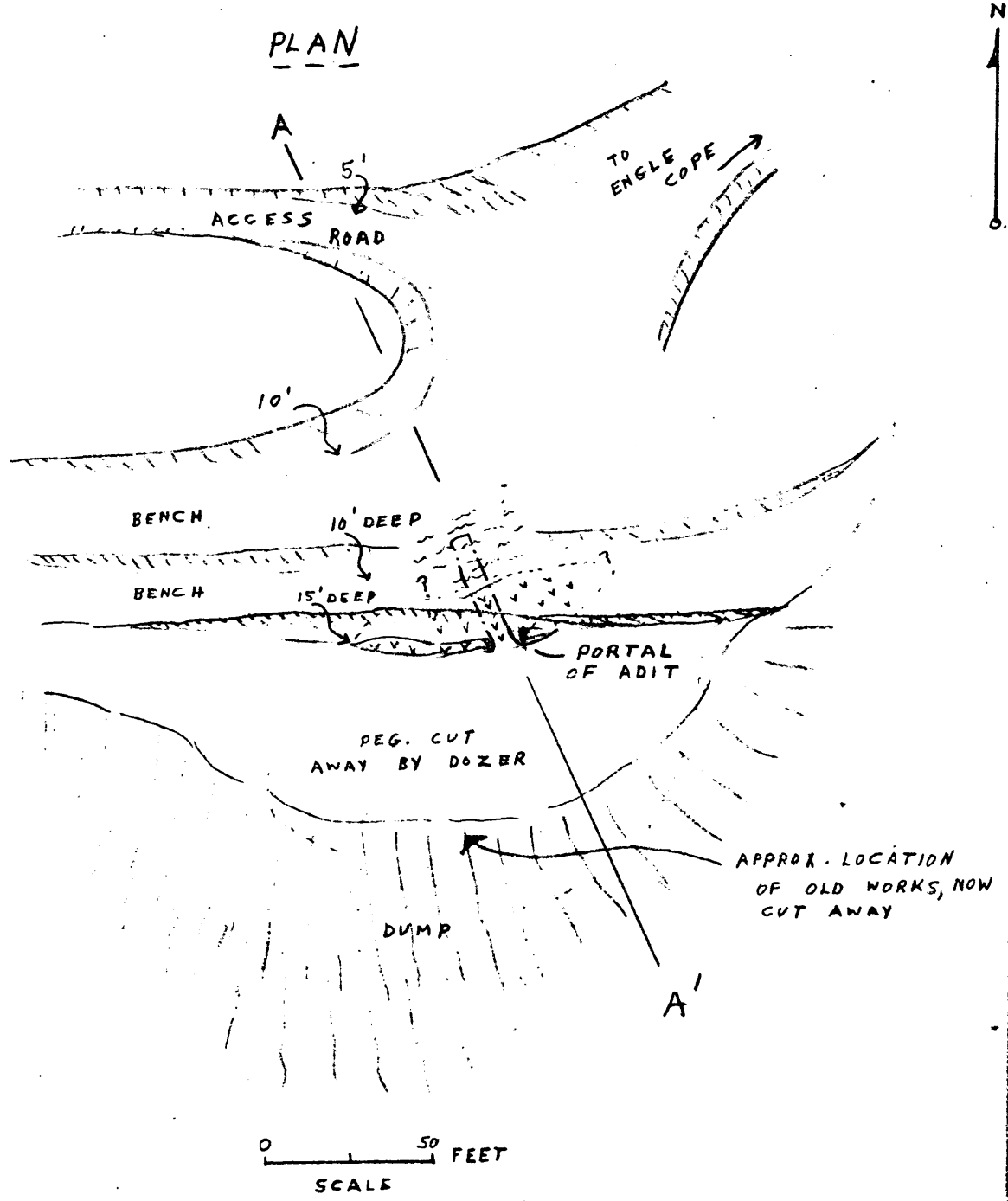
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

DMEA-4224, IDM-E 954
(MICA)

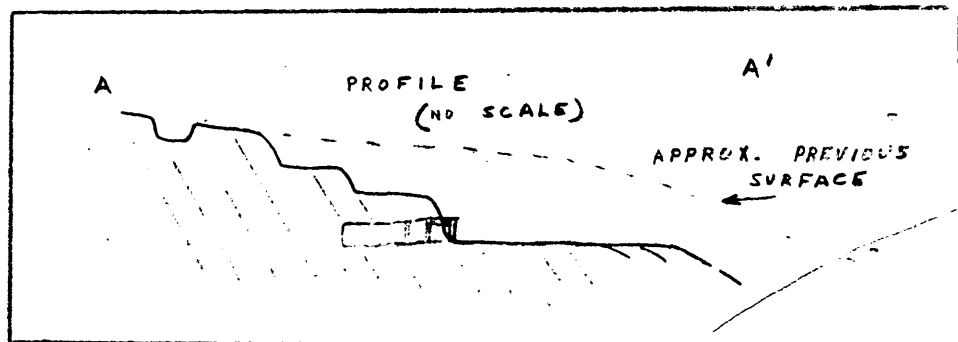
CLARK MINE

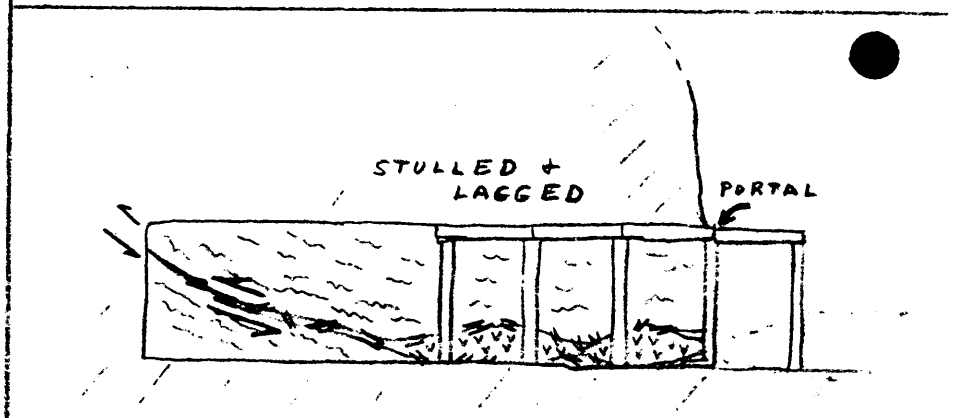
JACKSON CO., N.C.

8-3-1956



TAYLOR - 8-3-56





— SECTION THROUGH ADIT —
(WIDE THIN BOOKS OF MICA ALONG CONTACTS - SHOWS SLIPPAGE)

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

August 16, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville,

Subject: Termination Agreement - Idm-E954, DMEA-4224 (mica) Carolina Mining Co., Franklin, N.C.

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
Executive Officer, DMEA
Region V

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

RECEIVED
AUG 20 1956

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

RECEIVED
AUG 13 1956

August 10, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4224, Contract Idm-E954 (mica)
Carolina Mining Company, Franklin, N. C.
Clark Mine, Macon County, North Carolina
Operator's Final Report

Enclosed are four copies of the Operator's final report on the subject contract.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

C A R O L I N A M I N I N G C O M P A N Y
P. O. BOX 314
FRANKLIN, NORTH CAROLINA

Contract No. IDM-E 954
Docket No. DMEA 4224 - Mica

Clark Mine, Macon County
North Carolina

Engineering and Geologic Report

This contract by and between Carolina Mining Company ~~the~~ and the Government was signed on May 21, 1956, and preparation for work immediately got under way, however, the actual starting date was June 6, 1956.

Subject contract was set up in two stages. Stage I consisting of excavating a trench 105 feet by 18 feet by 10 feet, which consisted of moving 700 cubic yards of earth. Over 1200 yards of earth was moved, which was done at the operators expense over and above 700 cu yard but it permitted them to locate the portal of the drift in a More desirable position.

After stage one was completed the Field team inspected the area and advised to proceed with stage two. This was a verbal order but was confirmed later in writting from the office of V. J. Lynch

A tool house, powder Storage magazine, and exploder storage magazine was constructed with dimensions being larger in each case than the contract description work called for.

Twenty nine feet of adit was driven having minimum Cross-sectioned dimensions of 5 feet by 7 feet in the clear of timber. It was solidly legged and stulled for 15 feet with each stand of timber on 4 feet centers using eight inch oak.

The country rock was decomposed but had hard spots in it which necessitated drilling and blasting, but not over one or two pounds at a time.

Pegmatite was highly weathered indicating a lot of movement along the zone. It was lying North 10° West. The pegmatite consisted of Magmatite and gneiss, with muscovite which was clay stained, but were as large as 3" X 5" and some of it very ruled. Part of the mica was very clear but percentage very low. Out of a 300 lb test on Mica run we recovered - 3 oz of No. 5, good stained; 13 oz of 5½ & 6, good stained; 1 lb of 5½ & 6, Stained; 2 lbs of 5½ & 6 Heavy Stained.

COPY

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

Contract No. Idm-E954
Docket No. DMEA-4224-Mica

Clark Mine, Macon County
North Carolina

Engineering and Geologic Report

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Subject contract was set up in two stages. Stage I consisting of excavating a trench 105 feet by 18 feet by 10 feet, which consisted of moving 700 cubic yards of earth. Over 1200 yards of earth was moved, which was done at the Operators expense over and above 700 cubic yard but it permitted them to locate the portal of the drift in a more desirable position.

After stage one was completed the Field Team inspected the area and advised to proceed with stage two. This was verbal order but was confirmed later in writing from the office of V.J. Lynch.

A tool house, powder Storage magazine, and exploder storage magazine was constructed with dimensions being larger in each case than the contract description work called for.

Twenty-nine feet of adit was driven having a minimum cross-sectioned dimensions of 5 feet by 7 feet in the clear of timber. It was solidly legged and stulled for 15 feet with each stand of timber on 4 feet centers using eight inch oak.

The country rock was decomposed but had hard spots in it which necessitated drilling and blasting, but not over one or two pounds at a time.

Pegmatite was highly weathered indicating a lot of movement along the zone. It was lying north 10° West. The pegmatite consisted of magmatite and gneiss, with muscovite which was clay stained, but were as large as 3" x 5" add some of it very ruled. Part of the mica was very clear but percentage very low. Out of a 300 lb. test on mica run we recovered - 3 oz. of No.5, good stained; 13 oz. of $5\frac{1}{2}$ & 6, good stained; 1 lb. of $5\frac{1}{2}$ & 6, stained; 2 lbs. of $5\frac{1}{2}$ & 6 heavy stained.

COPY

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

Contract No. Idm-E954
Docket No. DMEA-4224-Mica

Clark Mine, Macon County
North Carolina

Engineering and Geologic Report

This contract by and between Carolina Mining Company and the Government was signed on May 21, 1956, and preparation for work immediately got under way, however, the actual starting date was June 6, 1956.

Subject contract was set up in two stages. Stage I consisting of excavating a trench 105 feet by 18 feet by 10 feet, which consisted of moving 700 cubic yards of earth. Over 1200 yards of earth was moved, which was done at the Operators expense over and above 700 cubic yard but it permitted them to locate the portal of the drift in a more desirable position.

After stage one was completed the Field Team inspected the area and advised to proceed with stage two. This was verbal order but was confirmed later in writing from the office of V.J. Lynch.

A tool house, powder Storage magazine, and exploder storage magazine was constructed with dimensions being larger in each case than the contract description work called for.

Twenty-nine feet of adit was driven having a minimum cross-sectioned dimensions of 5 feet by 7 feet in the clear of timber. It was solidly legged and stulled for 15 feet with each stand of timber on 4 feet centers using eight inch oak.

The country rock was decomposed but had hard spots in it which necessitated drilling and blasting, but not over one or two pounds at a time.

Pegmatite was highly weathered indicating a lot of movement along the zone. It was lying north 10° West. The pegmatite consisted of magmatite and gneiss, with muscovite which was clay stained, but were as large as 3" x 5" and some of it very ruled. Part of the mica was very clear but percentage very low. Out of a 300 lb. test on mica run we recovered - 3 oz. of No.5, good stained; 13 oz. of 5½ & 6, good stained; 1 lb. of 5½ & 6, stained; 2 lbs. of 5½ & 6 heavy stained.

DOCKET COPY
Surname:

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

600

AUG 1956

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

Re: Docket No. DMEA-4224-mica
Carolina Mining Company
Clark Mine
Jackson County, North Carolina
Contract No. Idm-E945

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of July 19, 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
Member, Bureau of Mines (JHB)

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

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

JHopkins:ms 8/6/56

Enclosures: 6

Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

4224

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT
Date 7·23

Referred to:

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

Note comments in report regarding:

1. Termination by
2. United Agreement
mutual cancelled.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Termination by
Drafted [illegible]

Robert E. Adams

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

RECEIVED
JUL 23 1956

July 19, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4224, Idm-~~E915~~ 954, Clark Mine, Jackson County, N. C.
Request for Termination

Enclosed are 4 copies of the latest interim report on the subject contract.

On the last inspection of this project by the Field Examiners the pegmatite had pinched out completely in the drift. They have recommended termination of the contract and the Operator fully agreed with them. Therefore, we request permission to Terminate the contract by mutual agreement effective July 10, 1956.

V. J. Lynch

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

A. R. Taylor / for

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

RECEIVED
JUL 23 1956

INTERIM REPORT

DMEA-4224, Idm-E954 (Mica) CLARK MINE

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

Location: 0.75 Airline miles N35°E of the junction of the Jackson and Macon County lines and U. S. Highway No. 23 in Jackson County, North Carolina (U. S. TVA Quadrangle Map - Greens Creek Sheet, 166 SE).

Stage II of this contract, consisting of drift work, has been in progress during the past three work weeks. Results of this work have not been encouraging during last 10 feet of drift. The pegmatite began narrowing with advance and near the present face it cuts out completely. The Field Examiners do not recommend any additional exploration on this contract.

Drifting began upon completion of Stage I which consisted of excavation by bulldozer to better expose the pegmatite and to prepare a site for future work. The drift was driven for a total distance of 29 feet in a N20°W direction, and followed a relatively flat-lying pegmatite body which varied considerably in thickness and thinned and swelled along the projected dip, which was slight. Approximately 125 pounds of mine-run book mica resulted from the drift work. This mica was not been processed to date. Mica recovered from the excavation during Stage I has been processed and consists of 4 pounds of all sizes and grades; 3 pound of this, however, is No. 4 and 5 stained and heavy stained. The operator indicates that royalty will be paid on all production just as soon as sales settlements are final.

The Field Examiners recommend, due to the absence of pegmatite and the operator is in agreement, that this contract be terminated by mutual consent of both parties. Work completed under contract consisted of excavation by bulldozer, driving 29 feet of drift and building a tool house and powder and exploder magazines. All work was completed in a satisfactory and efficient manner.

L. E. Shirley

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

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

July 9, 1956

C

RECEIVED
JUN 27 1956

June 25, 1956

Careline Mining Company
P.O. Box 314
Franklin, N. C.

Re: DMEA-422h, Lm-295h (mica)
Clark Mine
Jackson County, N. C.

Gentlemen:

This is to verify the oral authorization given you by the Field Examiners on June 18 to proceed with Stage II on the subject contract.

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

VJL/mm
cc:
Finance Officer
Lynch
Shirley
Files
Opr. Com.-3

INTERIM REPORT

DMEA-4224, Idm-E954 (Mica) Clark Mine

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

Location: 0.75 Airline miles N35°E of the junction of the Jackson and Macon County lines and U. S. Highway No. 23 in Jackson County, North Carolina (U. S. TVA Quadrangle Map - Greens Creek Sheet, 166 SE).

RECEIVED JUN 28 1956

Stage I of this contract, consisting of trench excavation by bulldozer, has been completed. The trench trends East-West and is 140 feet long, 60 feet wide and 15 feet deep. Much of the bulldozing was concentrated in the center of the trench and considerable pegmatite removal resulted. Pegmatite was exposed in the cut bottom and on the north side of the trench. The body is rather thin as now exposed, but was considerably thicker and was continuous during the bulldozing. About 250 pounds of mine-run mica was recovered from the trenching. The mica is generally of excellent quality, occurs in large sizes up to 8" x 10" blocks, and has few defects. Considerable clay staining, some ruling and a few reeves were noted as principal defects.

The Field Examiners recommend that Stage II of the contract be authorized. Discussion was held with the Operator concerning the proper method for exploration and an inclined shaft will begin in the near future. The operator was advised to conduct all of the work in pegmatite, as nearly as possible.

Trench excavation costs exceeded allowable costs by approximately $100.00. The operator did additional trenching on his own to better expose the body and to prepare good access for future work in the pegmatite area.

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

DMEA-4224, Idm-E954 (mica) CLARK MINE

RECEIVED
JUN 1 5 1956

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

LOCATION: 0.75 airline miles N35°E of the junction of the Jackson and Macon County lines and U. S. Highway No. 23 in Jackson County, N. C. (T.V.A. Quadrangle Map - Greens Creek Sheet, 166 SE)

The starting date on this contract is June 6, 1956. Stage I of the contract, consisting of trench excavation by bulldozer, is underway but has not been completed. Instructions were given at the time of this visit concerning additional excavation. Work completed had exposed but little pegmatite for shallow depth obtained, but several medium-sized books of mica was recovered. Most of the books were thin and contained a clay stain. The Operator was advised not to begin Stage II until another inspection has been made with subsequent approval in writing. Progress on this contract is satisfactory.

Mr. V. J. Lynch, Bureau of Mines Member of the Field Team, accompanied the Examiners on this visit to the mine.

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 5 & 6, 1956

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

June 1, 1956

RECEIVED
JUN - 4 1956

Memorandum

To; Operating Committee, DMEA- Washington

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

Subject: DMEA-4224, Idm-E954, Carolina Mining Co. Franklin, N. C.
Clark Mine (mica) Jackson County, N. C.

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

Robert A. Laurence
Robert A. Laurence

DOCKET COPY
Surname:

Hopkins
Houk
Chambers
Selfridge
Gibson
Mitchendorf

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 21 1956

Re: Docket No. DMEA-4224-mica
Carolina Mining Company
Clark 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, Exhibit "A"(2 pages) and map of the Clark Mine. Two extra copies of Annex I, Exhibit "A" and map are enclosed for the use of the Field Team.

Also enclosed are copies of an executed subordination agreement form MF-201 that is not acceptable. Please have the land owners execute the enclosed Consent to Lien and attach to the contract before it is executed by the operator.

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 the map are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated April 23 and 24, 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 (S/S)

Approved:

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

Thor H. Kiilsgaard (S/S)
Member, Geological Survey

Enclosures: 23

JHopkins:ms 5/2/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061

Mr. Houk
Mr. Hopkins
Admr. R. File

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

APR 30 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4224, Carolina Mining Company (Mica)

Pursuant to your request we have prepared the attached draft of contract, and a draft of Consent to Lien which is to be substituted for the Subordination Agreement previously executed.

Robert P. Dwyer

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

APR 30 1956

Memorandum

To: The Administrator, DMEA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4134, Carolina Mining Company (Miss)

Pursuant to your request we have prepared the attached draft of contract, and a draft of Consent to Lien which is to be substituted for the Subordination Agreement previously executed.

Robert P. Dwyer

Attachments

RPDwyer/cmd

Copy to: DMEA Docket
Solicitor's Docket (2)
L. G. Houk
P. Indritz
R. P. Dwyer
chron.

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

RECEIVED
APR 24 1956

April 24, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4224 (mica)

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

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

Date of Field Team Report: 4/17/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 4/23/56

Field Team Recommendation: Recommend a staged exploration program at an estimated cost of $3,671.00.

Comments:

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

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

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
APR 24 1956

April 23, 1956

Re: DMEA 4224
Carolina Mining Co.
Clark Mine
Jackson County, N. C.
Est. Cost: $6,500
Recommended Est.Cost: $3,670.59
Mica

Memorandum

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

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

Subject: Review of Field Team report

The applicant requested assistance in exploring an 8-foot pegmatite.

The examiners recommend a 2-stage work program consisting of:

Stage I		
	Bulldozing 1,215.3 cu. yd. at 30¢	$364.59
Stage II		
	Drifting or driving incline 100 feet	
	Labor	1,400.00
	Supplies	1,170.00
	Equipment (rental)	622.00
	Buildings tool shed and magazines	114.00
		$3,306.00
	Total	$3,670.59

The examiners found the pegmatite to be about 2½ feet thick, and has a 2-foot quartz core. Apparently the total thickness is not shown in the face of the adit, otherwise the proposed trench will be of little use since it will bottom in biotite gneiss of the hanging wall. If the gneiss is weathered and decomposed the pegmatite may be bared, in which case the adit would break through into the trench. Perhaps the stripping should extend back to the portal of the adit.

I concur with the staged work recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

April 18, 1956

RECEIVED
APR 2 0 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, DMEA - Region V - Knoxville, Tenn.

Subject: Field Examination Report - DMEA-4224, Carolina Mining Co. Clark Mine, (mica) Jackson County, N. C.

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

The Field Team concurs with the field examiners in the recommendations set forth in the report for a staged contract on this application.

V. J. Lynch

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

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
4-23-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM, REGION V

On

DMEA-4224, CLARK MINE (mica)
Jackson County, N. C.

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
4-23-56
(date)

April 17, 1956

FIELD EXAMINATION REPORT
On

DMEA-4224, CLARK MINE - Mica
Jackson County, N. C.

Applicant: Carolina Mining Company, c/o Roy H. Fouts, Franklin, N. C.

Summary

Strategic grade book mica is adbundant in an apparently flat-lying, zoned pegmatite. This is a prospect that warrants exploration under a staged program. It is recommended that the application be approved.

Introduction

Location.

It is .75 airline miles N. 35° E from the junction of the Jackson county and Macon County line and Highway 23 (see SC Sect., TVA., Greens Creek, N. C., Quadrangle, 166-SE) It is about 800 ft northwest of the Clark Cabins.

Examination

The mine was examined March 30, 1956 in the company of Mr. Roy H. Fouts. Mr. R. A. Laurence, Executive Officer, DMEA Region V, accompanied the examiners.

Accessibility - Working-Conditions

The mine is easily accessible by car from U.S. Highway #23. It is on a relatively unwooded, gentle slope about 70 ft north of a stream which can furnish water for drilling.

Mr. Fouts has a competent crew of miners to perform the work according to the contract.

Competency of Applicant:

The applicant is quite competent and responsible. Mr. Fouts has explored several mica deposits under DMEA contracts and has always conducted a safe and efficient job.

History

The Hardy Clark Prospect No.2, now the Clark Mine, was worked before 1942, and from December 1943 to January 5, 1944, it was operated by C. C. Harris and H. A. Lawhead (Blue-Ridge Manuscript). No records of production are available but apparently it was small.

Present Workings

Recent work by the applicant, at the site proposed for exploration, has exposed a trench 40 x 6 x 6 feet deep and about 23 feet of caved underground workings (see map). This closely resenbles the Hardy Clark Prospect No.2 as described in the unpublished Blue Ridge District Manuscript (U.S.G.S).

Pegmatite-Country Rock

A mica-bearing, zoned pegmatite is exposed in the underground works. It is apparently flat lying, but may be dipping slightly to the north (into the hill) and is about 2 1/2 ft in thickness, with a 2 ft quartz core. It is composed of kaolinized feldspar, massive quartz, ruby muscovite, and some sericite.

The country rock is a weathered biotite gneiss. It is weathered to a depth of at least 13 ft.

Muscovite

Ruby muscovite of excellent quality exists in small piles at the mine. The applicant recovered it recently. The muscovite is clear, flat, and 5" x 3" in width. A little muscovite could be seen in the old workings, but it is impossible to estimate its quantity from the accessible face.

Proposed Exploration

The work should be staged. First, to determine the extent, strike and dip of the pegmatite body, and to determine where underground work should begin.

Stage I (see map)

A bulldozed trench -125 ft long, average 15 ft deep (20 ft on upslope side and 10 ft on downslope side), and 17 1/2 ft wide. The cuts' sides should be sloped to avoid cave ins, and slumpage (20 ft wide at top, and 15 ft wide at the bottom).

Costs: $.30¢ / cu. yd.
Total: 32,812.5 cu ft or 1,215.3 cu. yd @ 30¢ 210.00 ~~$364.59~~

Stage II (construct)

Toolhouse	$76.00	
Exploder Magazine	13.00	
Powder Magazine	25.00	114.00

Drive not more than 100 ft of adit, crosscut, and/or incline on pegmatite. (50 shifts) 5'/shift

Labor:

1 - Miner @ $1.50/hr.	$600.00	
2 - Laborers @ $1.00/hr	800.00	1400.00

$30 for 10 ft
$31 for 10 ft

Equipment: (Owned by Operator)

Total value $8,401.00

Depreciation for 3 months $ 622.00

(Operator's itemized copy of equipment depreciation has been forwarded to Washington)

Supplies:

Drill steel	$150.00	
Gasoline and oil	190.00	
Explosives	310.00	
Timber, 3 M @ $65/M	195.00	
Miscellaneous	100.00	
Liability Insurance	140.00	
Social Security and Unemployment Ins.	56.00	
Sales Tax	29.00	1170.00

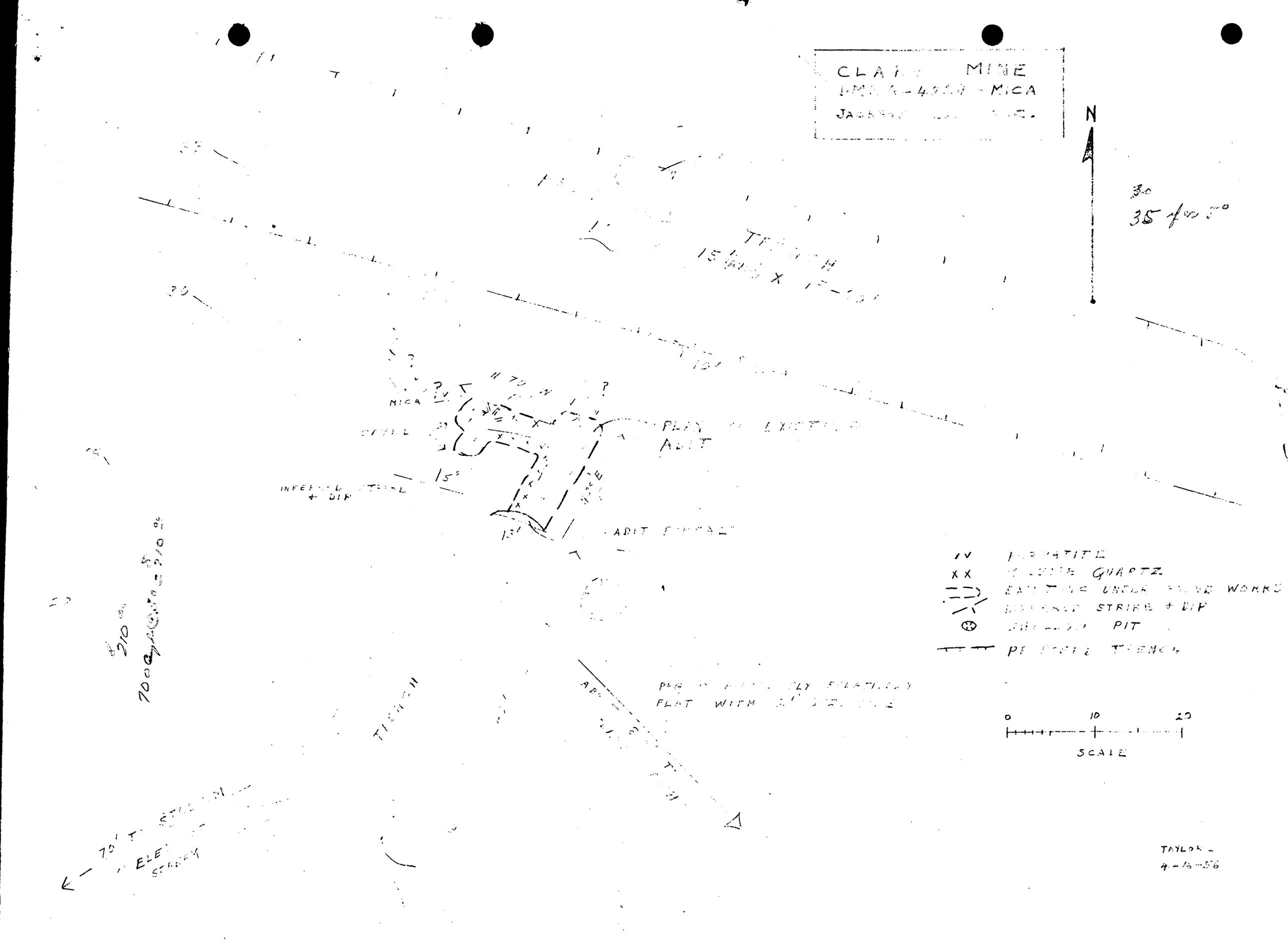
Total $3,671.00

(100 ft adit and/or incline @ $31.92/ft.)

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

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

z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UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 2[illegible] 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

Subject: DMEA-4224 (mica) Carolina Mining Co., Franklin, N. C.
Clark Mine, Jackson 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13 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

Subject: DMEA-422h (mica) Carolina Mining Co., Franklin, N. C.
Clark Mine, Jackson 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

RAL/sm
cc:
Lynch
Shirley
Files

CAROLINA MINING COMPANY
P. O. BOX 314
FRANKLIN, NORTH CAROLINA
April 4, 1956

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

Roy H. Fouts

Roy H. Fouts

William Dinnes

William Dinnes

RECEIVED
APR
Knoxville, Tenn.

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 CM & 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 Buffalo 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
Six - 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	LIVE 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	36.50	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	15.63	2
Electrical equipment - Float switches, wire, starters etc	175.00	12.88	2
One - Willys Jeep, Used	800.00	50.00	4
	$ 8,401.60	$ 621.90	

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

DOCKET COPY
Surname:
Anderson
Houk
Nelson
Geehan
Selbridge
Johnson

APR 2 1956

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

Re: Docket No. DMEA-4224-Mica
Carolina Mining Company
Clark 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,

C. O. Mittendorf (for)

Administrator

JHopkins:ms 3/30/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File
Field Team, Region V

R.G.L.

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

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Hopkins

APR 2 1956

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

Re: Docket No. DMEA-4224-Mica
Carolina Mining Company
Clark 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 27 and 28, 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 (JHB)

Approved:

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

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

Enclosures: 4

JHopkins:ms 3/30/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

R.G.G.

IN REPLY REFER TO:

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

RECEIVED
MAR 29 1956

March 27, 1956

Re: DMEA 4224 H
Carolina Mining Co.
Clark 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 assistance in exploring an 8-foot zoned pegmatite by stripping, shaft sinking, 60 feet, and drifting 100 feet an an estimated cost of $6,500.00.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

BUREAU OF MINES
WASHINGTON, D.C.
MAR 29 10 44 AM '56

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

RECEIVED
MAR 28 1956

March 28, 1956

RECEIVED
MAR 28 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4224 (mica)

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

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/23/56

Comments:

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

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

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

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

RECEIVED
MAR 22 1956

March 20, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application - Carolina Mining Company, Clark Mine (mica)
Jackson County, N. C.

Transmitted are three copies of the subject application, one copy of the lease, MF-203's and a sketch of the subject mine.

One copy of the application has been retained for the files in this office.

V. J. Lynch

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

S. C. Bergman

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

Subject: DMEA-4224
Re: Clark Mine

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

March 23, 1956

Gentlemen:

The receipt of your application dated March 10, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4224 and referred to the Non-Metallic 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

March 23, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region

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

DMEA

v.

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

-4224 Carolina Mining Co.

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 22 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. 4224
Metal or Mineral Mica
Date Received 3-22-56
Estimated Cost 6500.
Participation (Government %) 75

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
P.O. 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.

RECEIVED
MAR 19 1956
Defense Minerals Exploration Administration

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 tract of land described in MF-203, carved out of a deed to D.H. Clark & wife Edith Elizabeth Clark, the same land from Collins' heirs, recorded in Register of Deeds, Jackson County, N.C., Book 109, page 386.

(*b*) State any mine name by which the property is known. Clark 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 or attached.

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

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

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See Exibit "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. 800' from Highway 441, accessible by road, 7 mi from Franklin, N.C.

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

16—66551-1

Manpower plentyful, materials & supplies fair, water & electricity on property, equipment can be had in Atlanta, Ga. or Spruce Pine, N.C. each of which are 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. See Exhibit "A"

(*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 Exhibit "B"

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

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

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

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

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

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

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

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

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

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

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

[X] Money [X] 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 10, 1956

Carolina Mining Company
(Applicant)

By Ray V. Lantz

William Quinnes

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

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

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EXIBIT "A"

4. - a. There has never been any extensive mining carried on, at this particular prospect, but it is located in a well defined zone where mica deposits are located and productive mines exist. The entire area has been prospected and several small pits have been put down and they show evidence of mica bearing ore. In the particular outcrop which we wish to explore a trench was made 10 feet wide, 20 feet long, and eight feet deep, which went into the slppe of the mountain to a depth of 15 feet, exposing the pegmatite. This area can easly be inspected by the Field Team as there is a road to the outcrop.

b. There is no past production records available. In digging through the dump and going over the small pits the applicant found Ruby Mica, which would trim 2" x 2" good stained.

c. The outcrop is on a medium slope. Most of the rock exposed is weathered, yielding brown to brownish-yeallow soil. The pegmatite is about eight feet wide, which has a massive quartz core. The strike trend is northeast. The pegmatite is composed of quartz, decomposed feldspar, kaolen, and a little biotite. Mica occurs near the south wall in clay.

5. * b. We propose to first take a bulldozer and do some stripping and expose clearly the strike in such a way as to determine the dip and proper place to put down a shaft. When this is done we will put down a 60 foot shaft 5' x 7' with a manway compartment 2' x 7', having a staggered ladder to the bottom.

On or about the 55' level we plan to make a 100' crosscut and /or drift which is 6' x 6' in the cross section.

d. The applicant is associated with Mica Development Corporation, supervising the mining, extraction, and prepairing mica for market for the past several years. They are throughly familiar with the purchasing program under the direction of the General Service Administration.

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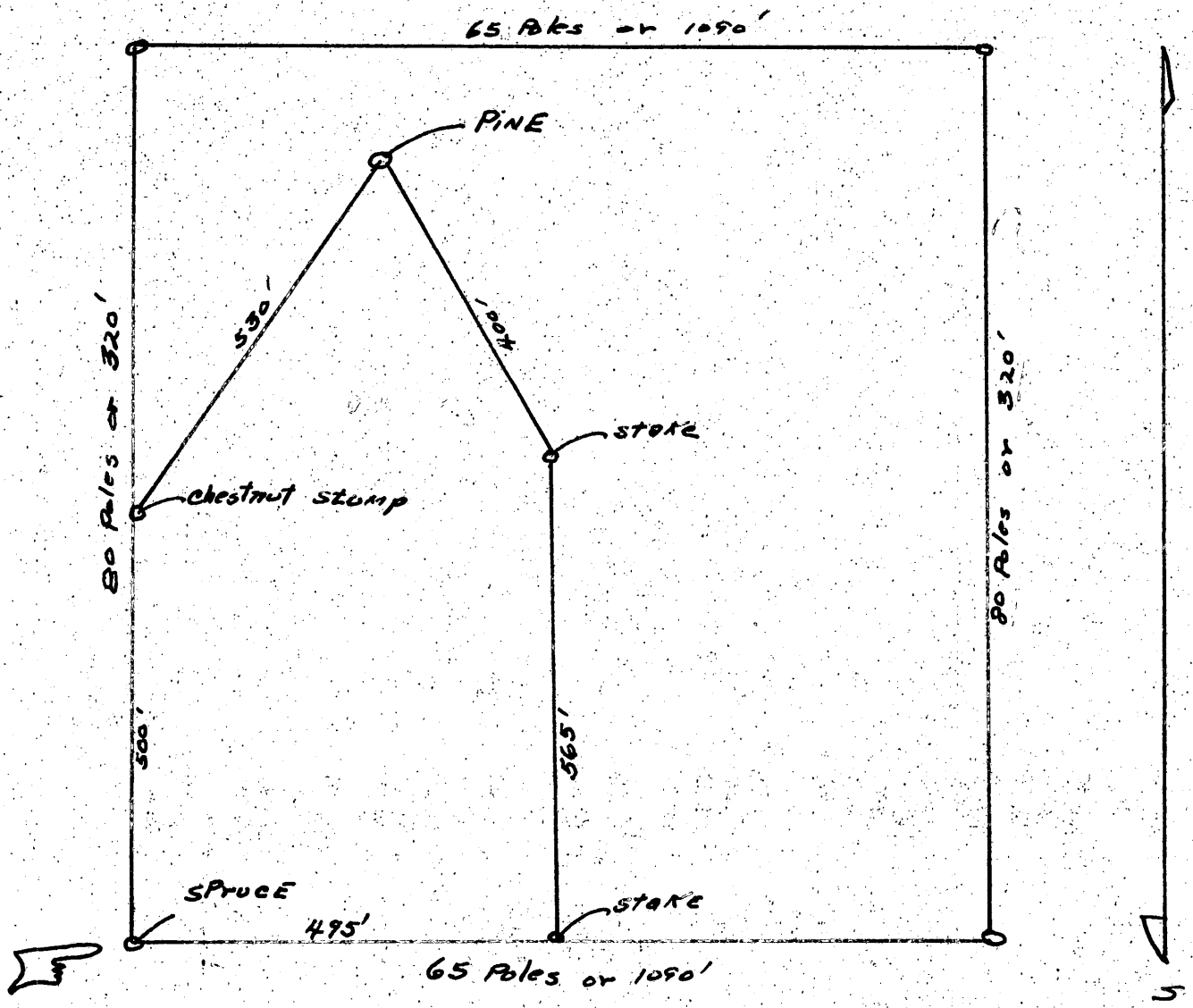
EXIBIT "B"

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	$ 75.00	
Magazine for Dynamite	25.00	
Magazine for Exploders	13.00	
Power Line	150.00	
Bulldozing, 15 hrs @ $10.00 per hours	150.00	
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 day to complete contra ct	4180.00	
Dynamite & Exploders	813.80	
Drill Steel	206.55	
Mining Timber	250.00	
Gasoline, grease, oil, & repairs	289.40	
Rental on Equipment	325.00	
Msc. Expenses	22.25	
Total	$ 6500.00	$ 6500.00

"MAP"

Scale 1" = 200'



Beginning on a Spruce Pine on the east side of the Steven Hyde Branch; then running East 65 poles, crossing State Highway # 285 to a stake; thence crossing said highway, North 80 poles to a stake in the outside line of the Collins fifty (50) acre tract; thence west 65 poles to a stake; thence South 80 poles to the Beginning. Containing 35 acres, more or less.

NORTH CAROLINA
MACON COUNTY

This Lease Agreement, made and entered into this the 14th day of February, 1956, by and between D. H. CLARK and wife, EDITH ELIZABETH CLARK, parties 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 Savannah Township, Jackson County, North Carolina, and more particularly described and bounded as follows:

> BEGINNING on a spruce pine on the East side of the Steven Hyde branch; then running East 65 poles crossing State Highway 285 to a stake; thence crossing said highway, North 80 poles to a stake in the outside line of the Collins fifty (50) acre tract; thence West 65 poles to a stake; thence South 80 poles to the BEGINNING. Containing 35 acres, more or less.

The terms and conditions of this lease are as follows:

Unless sooner terminated as herein provided, this lease shall exist and continue until the 14th day of February, 1959.

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

(1) Ten percent (10%) of the gross receipts of all scrap mica mined and removed.

(2) Ten percent (10%) of the gross market value of all other mica and clays mined and removed.

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

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

Said rentals 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 or convenient in operating under this lease, together with the right to cut and remove timber to clear such roadways; any construction of roads shall be done in a manner beneficial to the parties of the first part with reference to grade and width upon the completion of the contract.

(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 operations have begun, for a period of sixty (60) days, shall terminate this lease. Parties hereto expressly agree and contract that the commercial operations under this lease shall not be discontinued at any time for more than sixty (60) days, and

that during the life of this lease operations may not be discontinued more than two times. Ceasing of operations under this lease more than twice shall cause a forfieture of all rights under this contract by the party of the second part. 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 Five (5) years, Beginning on the day of this lease, upon the same terms and conditions as hereinabove set out, except as follows: In any renewal lease rentals shall be: (1) Twelve (12%) percent of the gross market value of all scrap mica mined and removed. (2) Twelve (12%) percent of the gross market value of all other mica and clays mined and removed. (3) Twelve (12%) percent of the gross market value of all other minerals mined and removed. (4) Five cents ($.05) per ton for all rock mined and removed; Provided, the parties of the first part are notified by parties of the second part in writing of its intention to extend same, and said notice is 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 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 rayalties 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 pro-

portionate 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 have made 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 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 of 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.

D H Clark (SEAL)

Edith Elizabeth Clark (SEAL)

CAROLINA MINING COMPANY

BY Roy H. Fouts

BY William Dinnes

NORTH CAROLINA
JACKSON COUNTY

Personally appeared before me this day D. H. CLARK and wife EDITH ELIZABETH CLARK and ROY H. FOUTS and WILLIAM DINNES, trading as Carolina Mining Company, who acknowledged the due execution of the foregoing lease agreement for the purposes therein expressed.

WITNESS my hand and notarial seal, this the 29th day of February, 1956.

Marie Jennings
Notary Public, Macon County, N. C.

My Commission Expires July 26, 1958

STATE OF NORTH CAROLINA
JACKSON COUNTY

The foregoing or annexed certificate of Marie Jennings, a Notary Public of Macon County, attested by his/her Notarial Seal, is adjudged to be correct, and in due form of the law.

Let the said instrument and the certificates be registered.

This 7 day of March 1952

Margaret W. Henson
Clerk Superior Court.

HAMMERMILL