DMEA 4232

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 3/30/56

2. CONTRACT DATE 8/10/56

3. TERMINATION AGREEMENT: DATE 11-21-56

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

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Docket Copy

RECEIVED NOV 28 1956 D.M.E.A.

Lindritz
Thompson
Anderson
Houk
Talbot
Selbridge
Johnson
Matheney

TERMINATION AGREEMENT

It is agreed this 21 st day of November 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and John Phillips, hereinafter called the "Operator," parties to that certain Exploration Project Contract No. Idm-2989, (Docket No. DMEA-4232), dated August 10, 1956, hereinafter called the "Contract," that:

1. Effective October 15, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

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

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

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

THE UNITED STATES OF AMERICA

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

John Phillips
John Phillips

Docket copy

MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4232	Mica	989	Mitchell	North Carolina

It is agreed AUG 1 0 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and John Phillips

whose mailing address is Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) 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 Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before SEP 15 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $3,524.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $2,643.00, in accordance with the provisions of Articles 4 and 5.

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

ARTICLE 2. *Operator's property rights.*—(a) The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's rights of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

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

Consent to Lien of lessor

(c) 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. 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

RECEIVED AUG 30 1956

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. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

(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 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 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. 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 will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *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 all pertinent books, documents, papers, and records of the Operator.

(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 6. *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 the Operator has rendered a sufficient final report (see Article 5), 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 (for example, if the Operator either transfers or fails to retain his interest in the land), 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, for 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, 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, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(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 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 7. *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 Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *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 the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *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 10. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

John Phillips

John Phillips (Operator)

By xxx

THE UNITED STATES OF AMERICA

By C P Mitteudorf

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: 1956—O-383069

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. DMEA-4232

ANNEX I

The land referred to in Article 2 of the contract is known as the May Prospect, and is held by the Operator under a lease dated March 27, 1956, from R. B. Phillips. The land is located 1.04 air-line miles N. 29° W. from Wing, Mitchell County, North Carolina, on the east slope of Big Ridge at the southern extremity of Burns Mountain (Micaville, N. C. quadrangle, TVA Ed. 1934, 1/24,000), and is described as follows:

Beginning on an iron stake at the center of what is known as the May Prospect, which is located 175' N.E. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 989
Contract Date AUG 1 0 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of what is known as the May Prospect which is located 175' N.E. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located approximately 5 miles North of Wing, N. C.,

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

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

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

None

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

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

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

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

RECEIVED
MAR 30 1956

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

5. Added provision: _____

Dated this 27th day of March, 1956.

R B Phillips [Seal] Bakersville, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
JOHN PHILLIPS
DOCKET NO. DMMA-4232

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "May Prospect, Mitchell County, N. C. DMMA-4232 (mica)," attached hereto and made a part hereof.

1. Prepare an adit site by excavating an area approximately 40 feet long by 20 feet wide by 20 feet deep, but not exceeding 600 cubic yards of excavation.

2. Construct:

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

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

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

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

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

3. Explore the pegmatite by driving from the bottom of the excavation not more than 100 feet of adit, drift and/or crosscut along the hanging wall zone of the pegmatite.

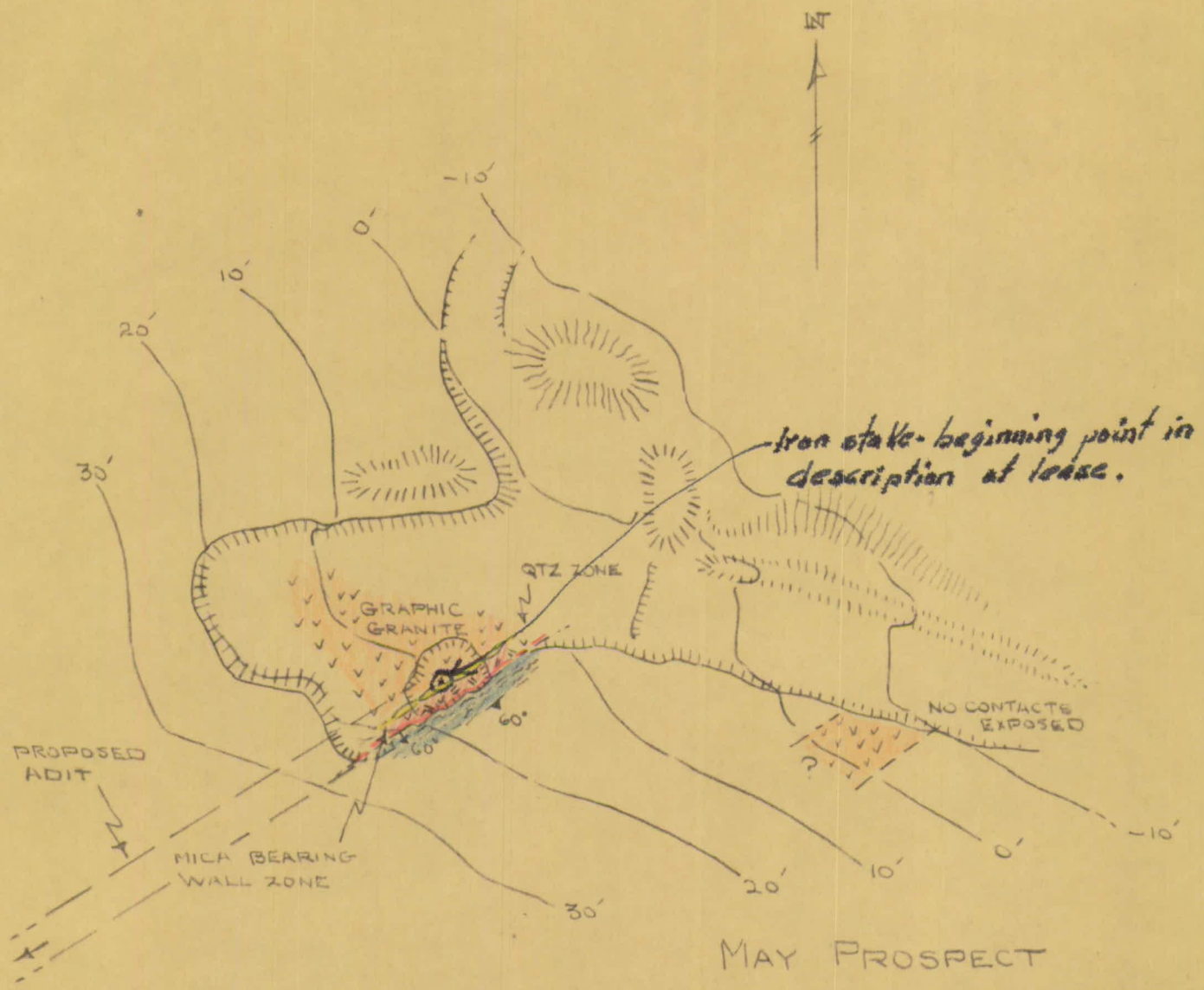
The adit and the drift and/or crosscut shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber. All work shall be performed on the pegmatite or in as close proximity thereto as possible.

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

Fixed Unit Costs

1. Excavate approximately 600 cubic yards @ $0.30/cu. yd.	$ 180.00	
2. Construct - Toolhouse 1/	76.00	
Powder Magazine 1/	25.00	
Exploder magazine 1/	13.00	
3. Drive - 100 feet of adit, drift and/or crosscut @ $32.30/ft	3,230.00	
Estimated Total Cost of Project		$3,524.00
Government Participation @ 75%		$2,643.00

1/ The completed work constitutes the unit.



MAY PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4232 (MICA)

SCALE: 1" = 20'

LEGEND

- MICA-BEARING CONTACT ZONE
- GRAPHIC TEXTURED PEGMATITE
- MICA GNEISS
- EXCAVATION
- DUMP

6/56

RECEIVED
JUL 5 - 1956

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4232

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Cys. BM, GS, Region V

Routing Slip

To:	600	Date	3/30/56
To:	MR. ANDERSON	Date	3/30/56
To:	Oper Com	Date	4-5-56
To:	F.E. Johnson	Date	4-6-56
To:	Oper Com	Date	7-9-56
To:	F.E. Johnson	Date	7-9-56
To:	CM	Date	7-9-56
To:	Oper Com	Date	8-9-56
To:	CO M	Date	8-10-56
To:	M & D	Date	8-10-56
To:	Oper Com	Date	11-19-56
To:	F.E. Johnson	Date	11-19-56
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/26	Anderson	600
4/29	Houk	600
4-29	Chambers	800
4/29	Selfridge	120
"	Johnson	110
"	Mittendorf	100
4/30	C	220
		225

600

APR 30 1957

Mr. R. B. Phillips

Bakersville, North Carolina

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell County, North Carolina
Contract No. Idm-E989

Dear Mr. Phillips:

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

This correspondence relates to the Consent to Lien signed by you on March 27, 1956.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

WCAnderson:rsi 4/26/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/26	Anderson	600
4/26	Houk	600
4-26	Chambers	800
4/29	Eldridge	120
"	Johnson	110
"	Mittendorf	100
4/30	C	220
		225

600

APR 30 1957

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell County, North Carolina
Contract No. Idm-E989

Dear Mr. Phillips:

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,

O. O. Mittendorf

Administrator

WCAnderson:rsi 4/26/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA [redacted] 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/26	Anderson	600
4/26	Hart	600

APR 30 1957 600

Project Summary Report

By: W. C. Anderson, Nonmetallic Minerals Division

1. Docket No. DMEA-4232-Mica
Contract No. Idm-E989
May Prospect
Mitchell County, North Carolina

Application: Form MF-103 (April 1952), received March 30, 1956.

Operator: John Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on the R. B. Phillips property consisting of five plus acres, dated March 27, 1956. Consent to Lien of lessor, dated March 27, 1956.

Work proposed by applicant:

50 hours bulldozing @ $10.00/hr.	$500.00
60 feet of shaft @ $50.00/ft.	3,000.00
80 feet of drift @ $35.00/ft.	2,800.00
Total amount requested	6,300.00

2. Contract: Form MF-200A (April 1956), dated August 10, 1956.

Work authorized:

Excavation - 600 Cubic Yards @ $0.30 C/Yd.	$180.00
Construction - Toolhouse, powder and Exploder magazines	114.00
100 feet of adit, drift and/or crosscut @ $32.30/ft.	3,230.00
Estimated total cost of project	$3,524.00
Government participation @ 75%	$2,643.00

Amendments: None.

Work completed:

Excavation	$180.00
Construction - Toolhouse, powder and Exploder magazines	114.00
56 feet of drift @ $32.30/ft.	1,808.80
Total accepted cost	$2,102.80
Government participation	$1,577.10

Work began on August 26, 1956 and terminated by mutual agreement October 15, 1956. Field Team Final Report received November 28, 1956.

8623

Operator's Final Report, dated October 31, 1956 received November 28, 1956. No equipment purchased under the contract.

3. Audit: Report of Review dated December 3, 1956.

Total accepted cost	$2,102.80
Government participation	$1,577.10

4. Certification of discovery: None issued.
No production of mica during operation.
No reserves were outlined.

5. Comments:
How conducted: All of the work in which the Government participated was accepted.
Operation: Good
Engineering: Reporting by Operator was better than average.

Geologic premise: The premise that a three foot wide mica-bearing, quartz contact zone would continue to be productive of strategic mica was proven wrong, by 56 feet of a crosscut and drift adit.

Geologic criteria upon which work was based:

1. Pegmatite: 20 foot pegmatite with a 3 foot wide quartz, mica-bearing contact zone, which is separated from the main body by a continuous 1 foot wide quartz zone. Mica occurs in the wall zone, none in main body of pegmatite. The contact zone is comformable with an extremely weathered, earthy, red-brown mica schist. The main pegmatite body is composed of two-thirds kaolinized plagioclase feldspar and one-third of fine graphic intergrowths of quartz and potash feldspar.

2. Mica: Clear, light green, flat "A", no cracking or clay staining, very few fine specks of biotite and iron oxides.

3. Old workings: Excavation 30 feet by 40 feet by 8 feet deep, exposing the hanging wall contact.

Geologic criteria developed during project:

1. Pegmatite: Graphic-granite body with pegmatite phases and a barren fine-grained plagioclase hanging wall zone separated from the main body by a 1 foot quartz zone, ranges from 20 to 25 feet thick and exposed by drifting for a distance of 31 feet.

2. Mica: Only mica recovered by operation were four crystals of green, wedge "A" stained mica, up to 6 inches across.

Future possibilities: No further exploration is warranted.

Recommendations: Since very little mica was recovered and no reserves, indicated or inferred, can be outlined, the Field Team stopped the work before completion and recommend that the project not be certified. The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey concur.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

Fisher

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

1 9 DEC 1956

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

Re: Royalty Report
The Eagle-Picher Company
Contract Idm-E57, DMEA-1206
and
Report of Review
John Phillips
Contract Idm-E989, DMEA-4232

Dear Mr. Laurence:

Enclosed herewith are original and two copies of First Royalty Audit Certificate and Report pertaining to The Eagle-Picher Company.

If you concur with the findings therein, the original should be forwarded to the Regional Finance Officer for filing with the contract, one of the copies should be furnished to the Operator, and the other copy should be retained in your files.

This completes Mr. Fisher's reports with respect to his audit trip to the Calumet and Platteville areas during October, 1956, except for the third royalty audit and final cost audit reports pertaining to Contract Idm-E96, Docket No. DMA-1207X, Calumet & Hecla, Inc., which are being withheld pending final determination of salvage credit to the contract costs which matter was referred to Mr. Stehlik for his consideration by Mr. Lynch's memorandum dated October 15, 1956.

Also enclosed are the original and two copies of a Report of Review covering the fixed unit costs of Contract No. Idm-E989, Docket No. DMEA-4232, John Phillips. If you concur with the facts stated therein, the original and one copy should be forwarded to the Certifying Officer and one copy of the report should be retained in your files.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

CEFisher/wb 12/12/56

Copy to: Docket (2)
Admr. Reading File
Mrs. Helen Miller
Mr. Chambers

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

IN REPLY REFER TO:

RECEIVED
DEC 11 1956
D.M.E.A.

December 7, 1956

Re: DMEA 4232, Idm-E989
John Phillips
May Prospect
Mitchell Co., N. C.
Approved Expend. $3,524
Expended $2,102.80 - Mica

Memorandum

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

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

Subject: Review of Field Team Final Report.

The contract approved the expenditure of $3,524.00 on drifting 100 feet along the hanging wall of a 20-foot pegmatite.

Twenty-five feet of crosscutting was done and 31 feet of drifting. No strategic mica was found in the course of the drifting so the work was stopped and the contract terminated, $2,102.80 having been expended.

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

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

A

RECEIVED 6 1956 DMEA

December 5, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4232 (mica)

Applicant: John Phillips

Name and Location of Property: May Prospect, Mitchell County, N. C.

Contract Number: Idm-E 989

Date of Field Team Report: 11/26/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 12/4/56

Field Team Recommendation: Recommend no certification.

Comments:

1. The only muscovite recovered during exploration came from a 1-foot quartz zone.
2. The muscovite was of nonstrategic quality.
3. Expenditures

Total approved	$3,524.00
Total cost of project	2,102.80
Gov't. participation	1,577.10
Gov't. share unexpended	1,065.90
Value of production	None

Recommendation:

I concur with the recommendation of the field team that no certification be issued.

W. F. Dietrich

W. F. Dietrich

Y232

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 12/3

Referred to:

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

Note comments in report regarding:

1. Don't find operators final report
2.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Noted

Robert E. Adams

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

A

November 26, 1956

Memorandum

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

From: Acting Executive Officer, DMEA Field Team, Region V

Subject: Operator's Final Report - DMEA-4232, Lda-E989 (Mica)
John Phillips, Spruce Pine, North Carolina
May Prospect, Mitchell County, North Carolina

Enclosed are four copies of the Operator's final report on the subject terminated contract. Also enclosed are four copies of the Field Team report with maps attached.

V. J. Lynch

RAL/mg
Enclosures 8
cc - Operating Committee (2)
Lynch
Shirley
File

Reviewed by
DMEA OPERATING COMMITTEE
11/30/56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-4232, Idm-E989, MAY PROSPECT
Mitchell County, N. C. (mica)

By

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

and

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

NOV 26 1956

Reviewed by
DMEA OPERATING COMMITTEE
11/30/56
(date)

EXPLORATION PROJECT CONTRACT

FINAL REPORT

DMEA-4232, Idm-E989 (mica) MAY PROSPECT
Mitchell County, North Carolina

Operator: John Phillips, Spruce Pine, North Carolina

Summary

Fifty-six feet of adit crosscut and drift were driven under the contract in a barren fine-grained plagioclase hanging wall zone of a larger graphic-granite body. No reserves were outlined. It is recommended that no certification be issued.

Introduction

Location

The prospect is located 1.04 airline miles N 29° W of Wimg, Mitchell County, N. C., on the eastern slope of Big Ridge (southern part of Burns Mountain., Micaville, N.C. Quad. TVA, 1/24,000).

Work Under Contract

Work began August 26, 1956 and was stopped October 15, 1956. About 640 cu. yds. of material was excavated in a strike length trench; a tool house, powder and an exploder magazine were constructed.

An adit crosscut was driven 12 feet S 25° W, thence 13 feet S 5° E; thence an adit drift was driven along the hanging wall of the pegmatite for 31 feet S 65° W. All work was done in pegmatite. The adit was timbered for a distance of 40 feet. No equipment was purchased by the Government.

Geology

A graphic-granite body with pegmatite phases and a plagioclase wall zone with a quartz zone was explored. The body is about 25 feet thick on the Northern exposure (down-hill) where it is split into two parallel branches, but only 20 feet thick uphill (south).

Old works were encountered during the bulldozing. Someone had worked the body down dip by an inclined shaft that is now partially filled.

Although normally a graphic-granite body this large offers a poor possibility for the occurrence of good muscovite, this body has a plagioclase hanging wall zone that is separated from the main body by a quartz zone 1-foot thick. The only muscovite recovered is associated with that quartz zone, but is non-strategic quality. About 4 crystals of green, wedge "A" stained electric mica up to 6 inches wide represents the total production.

The strike of the fine-grained plagioclase wall zone is N 62° to 65° E and the dip is 60 to 75° SE. The country rock is a weathered mica schist with alternating zones of hornblende gneiss. It is concordant with the intrusive, having a strike of N 55 to 70° E and dips from 58 to 60° SE.

Conclusions

No further exploration is warranted. No reserves were outlined, therefore, the Field Examiners recommend that no certificate of discovery be issued.

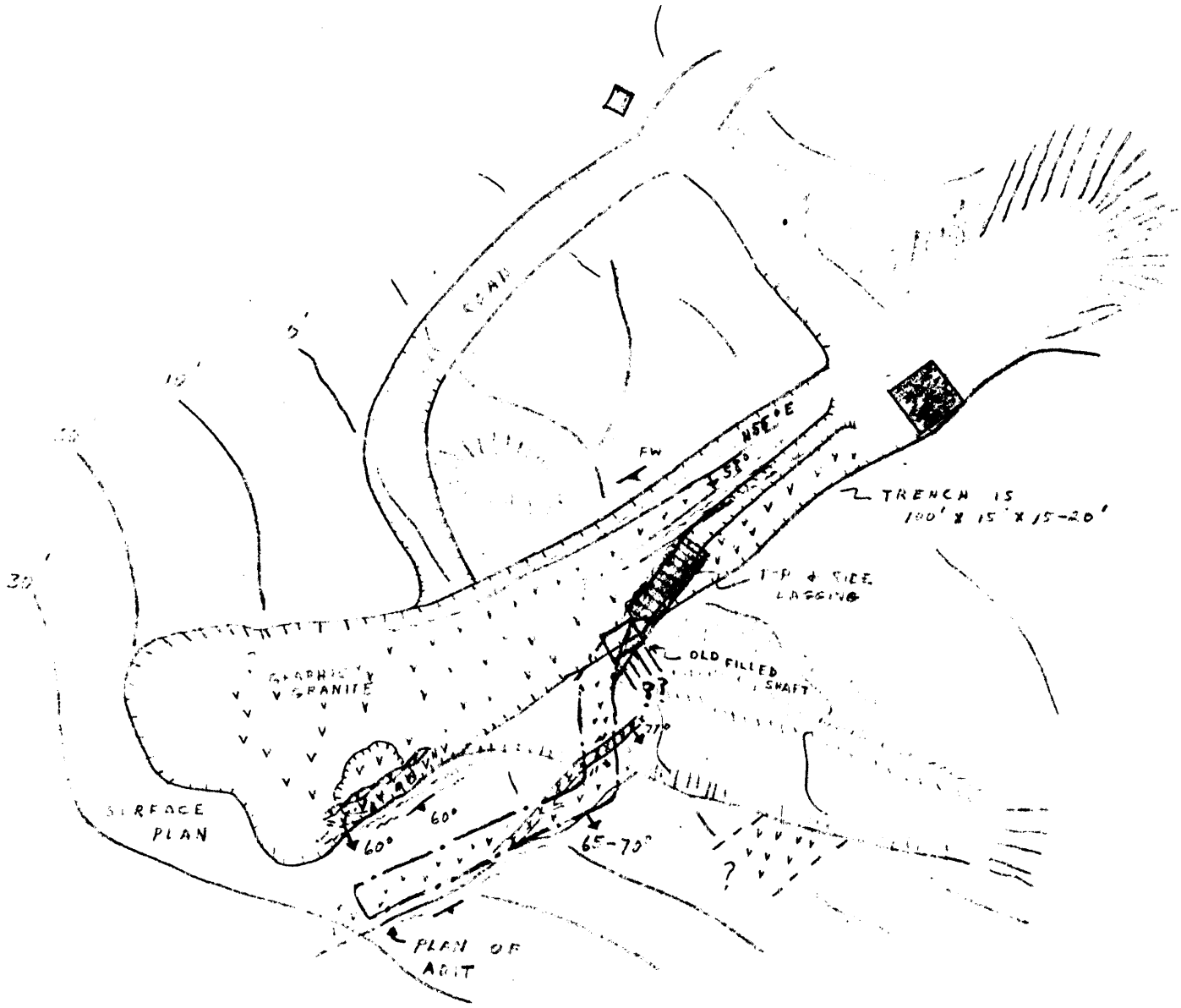
Expenditures:

(a)	Total approved	$3,524.00
(b)	Total Cost of project	2,102.80
(c)	Government's participation	1,577.10
(d)	Government's share unexpended	1,065.90
(e)	Value of production.....	None

z

A. R. Taylor and S. C. Bergman,
Geologists, USGS

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



MAY PROSPECT

[MEA - 4232 (MICA)

MITCHELL CO., N.C.

11-20-56

N

0 20 40 FEET

SCALE

PEGMATITE WITH QUARTZ ZONES

MICA SCHIST + HORNBLENDE GNEISS

EXCAVATIONS

DUMP

TAYLOR - 11-20-56

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

WASHINGTON 25, D. C.

November 26, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Termination Agreement - Idm-E989-DMEA-4232 (mica) John Phillips, Spruce Pine, N.C.

Attached 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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 151 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED NOV 28 1956 D.M.E.A.

November 26, 1956

Memorandum

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

From: Acting Executive Officer, DMEA Field Team, Region V

Subject: Operator's Final Report - DMEA-4232, Idm-E989 (Mica)
John Phillips, Spruce Pine, North Carolina
May Prospect, Mitchell County, North Carolina

Enclosed are four copies of the Operator's final report on the subject terminated contract. Also enclosed are four copies of the Field Team report with maps attached.

V. J. Lynch

V. J. Lynch

Enclosures 8

RECEIVED
NOV 28 1956
D.M.E.A.

Spruce Pine, North Carolina
October 31, 1956

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

Re: MEA-4232, Idm-E 989 (mica)
May Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project August 27, 1956, and stopped work upon termination of the contract on October 15, 1956.

In the month of August we moved in a bulldozer, and bulldozed away overburden to best locate shaft. In September we sat up equipment and constructed toolhouse, completed 25' of drift, finding very little mica. In October we completed 31' of drift making a total of 56' of drift. The contract was terminated at this point because what mica we were finding was not good enough to justify the continuation of the contract.

We wish to thank the field team for their assistance on the May Project. If further details are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

P/j

RECEIVED
NOV 26 1956

Docket Copy
Surname:
Anderson
Talbot
Selfridge
Lehmann
Mittendorf

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

600

NOV 19 1956

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

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell County, North Carolina
Contract No. Idm-1989

Dear Mr. Laurence:

Reference is made to your memorandum of October 25, 1956, recommending termination of the subject contract by mutual agreement.

We have prepared and enclose herewith 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:

Member, Bureau of Mines

Chairman, Operating Committee

Member, Geological Survey

Enclosures 6

WCAnderson:gad 11/19/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RCL.

✓ extras

Spruce Pine, North Carolina
October 31, 1956

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

Re: DMEA-4232, Idm-E 989 (mica)
May Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project August 27, 1956, and stopped work upon termination of the contract on October 15, 1956.

In the month of August we moved in a bulldozer, and bulldozed away overburden to best locate shaft. In September we sat up equipment and constructed toolhouse, completed 25' of drift, finding very little mica. In October we completed 31' of drift making a total of 56' of drift. The contract was terminated at this point because what mica we were finding was not good enough to justify the continuation of the contract.

We wish to thank the field team for their assistance on the May Project. If further details are necessary, please contact us.

Very truly yours,

John Phillips

John Phillips

P/j

RECEIVED
NOV 20 1956

Spruce Pine, North Carolina
October 31, 1956

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

Re: DMEA-4232, Idm-E 989 (mica)
May Prospect, Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project August 27, 1956, and stopped work upon termination of the contract on October 15, 1956.

In the month of August we moved in a bulldozer, and bulldozed away overburden to best locate shaft. In September we set up equipment and constructed toolhouse, completed 25' of drift, finding very little mica. In October we completed 31' of drift making a total of 56' of drift. The contract was terminated at this point because what mica we were finding was not good enough to justify the continuation of the contract.

We wish to thank the field team for their assistance on the May Project. If further details are necessary, please contact us.

Very truly yours,

John Phillips

P/j

RECEIVED
NOV 26 1956
U. ... ...vey
Geologic Division
Knoxville, Tenn.

4232

ACTION ON INTERI[illegible]
OR FINAL FIELD TEAM REPORT
Date 29 OCT 1956

Referred to:

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

Note comments in report regarding:

1. Mutual Termination requested
2.
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

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

RECEIVED
OCT 29 1956

October 25, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4232, Idm-E989 (mica) John Phillips, Spruce Pine, N.C. May Prospect, Mitchell Co.,N.C

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

We agree with the examiners' conclusions, and therefore request permission to terminate the contract, effective October 15, 1956. Certification will not be recommended.

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

L. E. Shirley
L. E. Shirley, for V. J. Lynch
U. S. Bureau of Mines

INTERIM REPORT

RECEIVED
OCT 29 1956

DMEA-4232, Idm-E989 (mica) MAY PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.04 airline miles N29°W from Wing, Mitchell County, North Carolina

Drifting has been in progress for the past two weeks on this contract and coupled with 25 feet of previous crosscut, now totals 56 feet. The Examiners are of the opinion that sufficient exploration has been accomplished at this prospect. Due to the non-strategic quality of the mica and predominant barren feldspathic nature of the body, it is recommended that no additional work under the contract be authorized. The Operator is in agreement with this recommendation and termination forms should be sent for his signature.

Work accomplished under the contract consisted of building a tool house and magazines, trench excavation and driving crosscut and drift as follows: 12 feet S25°W; 13 feet S5°E; and 31 feet S65°W. The hanging wall contact was encountered at 25 feet from the beginning point and 31 feet of drift was driven from that point to the present face. The pegmatite appears continuous but drift work indicates principally feldspathic pegmatite containing scant mica. A few large pieces of large "X" mica was produced from around a large quartz mass in the crosscut, but the mica is non-strategic.

All work attempted under the contract was completed satisfactorily. Timbering was necessary for about 40 feet and is now in good condition.

The Field Examiners recommend that this project be terminated by mutual agreement of both parties. Certification will not be recommended.

Mr. Bob McClay, Geologist, U. S. Geological Survey, 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

October 15, 1956

4232

ACTION ON INTE[illegible]
OR FINAL FIELD TEAM REPORT
Date 10-12

Referred to:

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

Note comments in report regarding:

1.

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

RECEIVED
OCT 1 9 1956

INTERIM REPORT

DMEA-4232, Idm-E989 (mica) May Prospect

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.04 airline miles N29°W from Wing, Mitchell County, North Carolina

Crosscutting in pegmatite material is in progress on this contract and now totals 25 feet; 12 feet have been driven S25°W and 13' S5°E. Material encountered is pegmatite composed of massive quartz flanked by large "A" mica and feldspathic zones. The body at this point strikes N20°E and dips 77°SE. The body is being crosscut from footwall to hanging wall and drifting will begin along the hanging wall when encountered.

Timber work completed to date is satisfactory. The operator was advised to continue timbering where needed, and to scale the working area after shooting. Progress on this contract is satisfactory.

L. E. Shirley

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

A. R. Taylor & S. C. Bergman
Geologists
U. S. Geological Survey

October 1, 1956

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT
Date 10-1

Referred to:

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

Note comments in report regarding:

1.

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

INTERIM REPORT

RECEIVED
OCT - 1 1956

DMEA-4232, Idm-E989 (mics) MAY PROSPECT

Operator: John Phillips, Spruce Pine, North Carolina
Location: 1.04 airline miles N29°W from Wing, Mitchell County, North Carolina

Work on this contract began in late August or early September. Preparation of an adit site has been completed and crosscutting of the pegmatite is expected to get underway in the current week. In preparing a shaft site approximately 640 cubic yards of material was removed by bulldozer and hand excavation. Some timbering was necessary to protect workers from vertical overhang ~~and~~ at and beyond the portal. Instructions were given for crosscutting and work will begin in pegmatite. Progress on this contract is satisfactory.

Mr. Milford L. Skow, Commodity-Industry Analyst, Branch of Ceramics and Fertilizer Materials, Washington, D. C. accompanied the Field Examiners on this visit to the mine.

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

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

September 17, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 503 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 16, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V Knoxville, Tenn

Subject: Signed Contract - DMEA-4232, Idm-E989 (miaa)
John Phillips, Spruce Pine, 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
Executive Officer, DMEA
Region V

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

RECEIVED
AUG 30 1956

Docket Copy
Surname:
Houk
Chamberlain
Martin
Johnson
Wittenberg

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

AUG 10 1956

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

Subject: Docket No. DMEA-4232 - Mica
John Phillips
May Prospect
Mitchell 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 May Prospect. Two extra copies of Annex I, Exhibit "A" and map are enclosed for the use of the Field Team.

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

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

Copies of memoranda dated July 10 and 18, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Please note that Annex I does not contain the book and page of recording nor the area of the tract.* In the future, when a contract is recommended, please have the applicant supply this information and a tie to a corner when practical. The map forwarded for attachment to the contract is not large enough to show all of the proposed work. It would also be helpful to have a profile of the surface above the proposed adit.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Approved:

FRANK D. LAMB
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

Enclosures 12

*We are referring to lessor's tract of which the DMEA tract is a smaller tract.

LGHouk:gad 8/9/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

July 18, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4232 (mica)

Applicant: John Phillips

Name and Location of Property: May Prospect

Date of Field Team Report: 7/3/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/12/56

Field Team Recommendation: Recommend an exploration project at an estimated cost of $3,528.00.

Comments:

1. A massive pegmatite with good mica potential was observed.

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

Recommendation:

I concur with the field team's recommendation for a unit-cost contract.

W. F. Dietrich

W. F. Dietrich

RECEIVED
JUL 19 1956

RECEIVED
JUL 18 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1051 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 16, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4232 (mica) John Phillips, Spruce Pine, N. C.
May Prospect, Mitchell County, N. C.

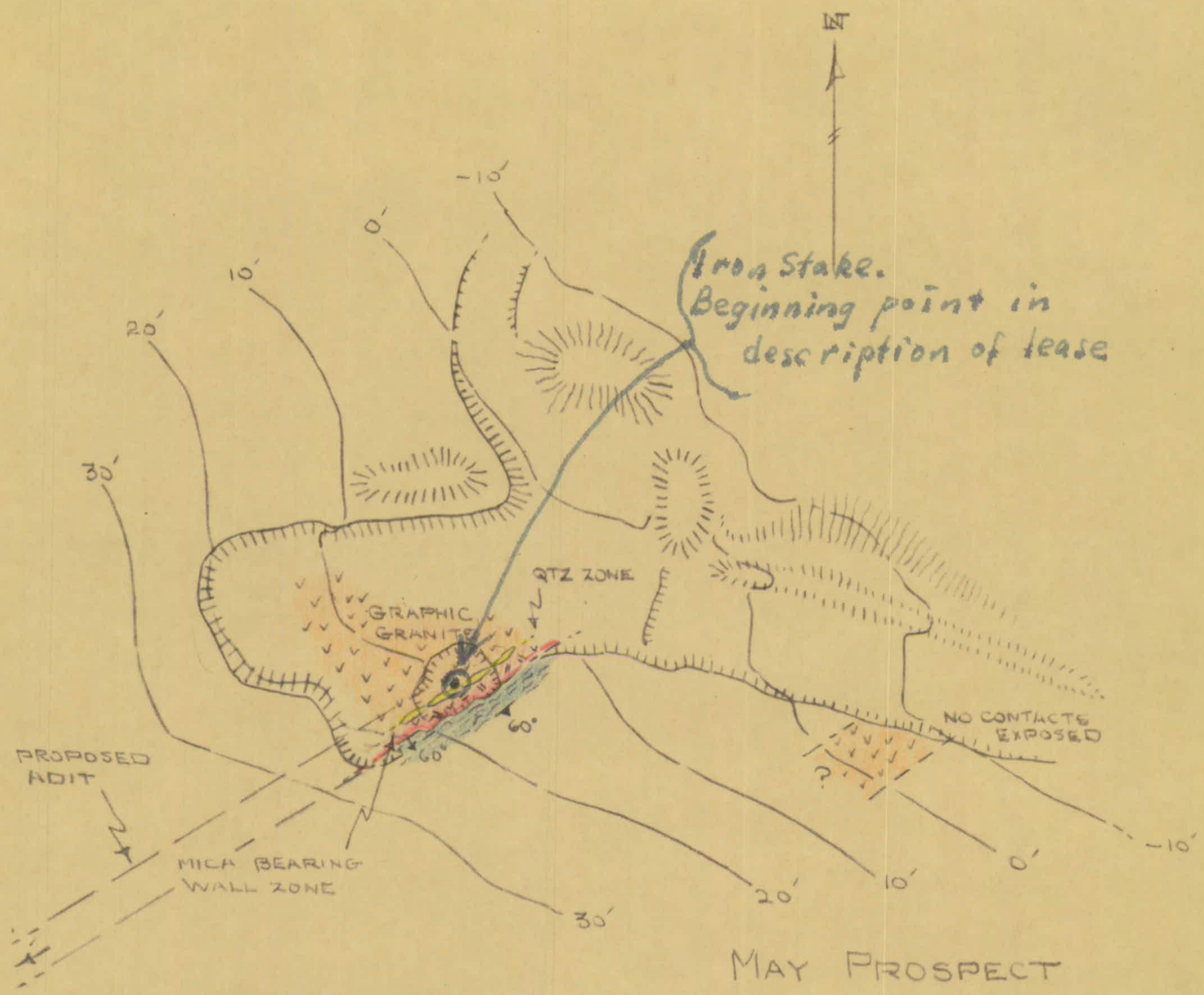
Reference is made to your letter of July 10.

The location of the iron stake is marked on the enclosed map, as requested.

The relation of the proposed work to the leased area cannot be shown on this map; however, the iron stake at the beginning point is also in the center of the 500-foot-square leased area. Therefore it is 250 feet from this iron pin to the lease boundary at the nearest points (due N.E. S. and W) and 355 feet to the corners of the square.

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

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



MAY PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4232 (MICA)

SCALE: 1" = 20'

LEGEND

- MICA-BEARING CONTACT ZONE
- GRAPHIC TEXTURED PEGMATITE
- MICA GNEISS
- EXCAVATION
- DUMP

6/56

RECEIVED
JUL 18 1956

RECEIVED
JUL 5 - 1956

IN REPLY REFER TO:

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

RECEIVED
JUL 11 1956

July 10, 1956

Re: DMEA 4232
John Phillips
May prospect
Mitchell Co., N. C.
$3,528.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a newly-discovered 20-foot wide pegmatite exposed by a bulldozed cut on a hillside.

Practically no muscovite can be seen in place but the pegmatite is believed to have strategic mica potential and the examiners recommend that it be explored by 100 feet of drift adit along the hanging wall mica-bearing contact zone.

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

N. E. Nelson

N. E. Nelson

Docket Copy
Surname:
Anderson
Houk
Selfridge
Bowen
Whitelaw

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

JUL 10 1956

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

Subject: Docket No. DMEA-4232 - Mica
John Phillips
May Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the field examination report of July 3, 1956, on the subject property.

We are returning one copy of the map because it does not contain a tie-in to a property corner. Please mark on the map the location of the iron pin referred to in the land description and return to us. Also, please furnish a location map showing the outline of the leased area related to the location of the proposed DMEA work.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosure

WCAnderson:gad 7/6/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.C.L.

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

July 3, 1956

Memorandum

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

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

Subject: Field Examination Report, DMEA-4232 (Mica)
John Phillips, Spruce Pine, North Carolina
May Prospect, Mitchell County, North Carolina

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

We recommend approval of a contract (preferably unit-cost) as outlined in the report.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

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

RECEIVED
JUL 5 - 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

On

DMEA-4232, MAY PROSPECT (mica)
Mitchell County, N. C.

By

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

and

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

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

RECEIVED
JUL 5 - 1956

July 3, 1956

FIELD EXAMINATION REPORT

On

DMEA-4232, (mica) MAY PROSPECT

Summary

At least a 20 feet width of massive graphic textured pegmatite has been exposed by recent bulldozing. This particular structure has a regular, 3-foot wide, quartz, mica-bearing contact zone, whose texture and composition contrasts greatly with the body of the pegmatite. The zone has good indicated continuity and mica potential and is recommended for DMEA assistance.

Location:

The Prospect is located 1.04 airline miles N 29° W from Wing, Mitchell County, North Carolina on the east slope of Big Ridge at the southern extremity of Burns Mountain (Micaville, N.C. quadrangle, TVA Ed.1934, 1/24,000).

Introduction:

The property was visited by the examiners April 9, 1956 in the company of Mr. Ed Huskins. A period of two hours was spent on the examination. The applicant and prospective operator, Mr. Huskins, have both had a favorable association with DMEA and are recommended as being competent to undertake contract obligations.

Access is gained by jeep trail and on foot from nearby all weather gravel roads. It is located on a steep wooded hillside and improvements are limited to the bulldozing outlined on the report map. No buildings or equipment are present at the prospect site.

Geology:

An area roughly 30' x 40' and a maximum of 8 feet deep has been bulldozed, exposing a hanging wall contact, and at least a 20-foot width of pegmatite. The contact is conformable with an extremely weathered, earthy, red-brown mica schist. The contact has an attitude of N 62° E 60° SE. About 20 feet of contact has been exposed along with a 2 1/2 to 3 foot wall zone of contrasting composition and texture with the body of the pegmatite. The main part of the structure is approximately 2/3 kaolinized plagioclase feldspar, the remaining 1/3 is fine graphic intergrowths of quartz and buff colored potash feldspar. There is practically no indications of mica in the body of the structure. The wall zone is separated from the rest of the pegmatite by a more or less continuous 1-foot wide quartz zone, somewhat lenticular in nature. Compositionally, it is predominantly weathered plagioclase feldspar with minor serecite and disseminated quartz. Practically no muscovite has been left in place, but what remained on the grounds indicate a clear, light green, flat "A" muscovite. There is no cracking or clay staining and only rare fine specks of intergrown biotite or iron oxides. Some assymetrical dragfolding is present along the contact plunging 50° to the south and indicating that the mica gneiss was displaced southwest relative to the pegmatite.

A second pegmatite is incompletely exposed by bulldozing about 25-feet southwest. It is at least 10 feet thick and probably conformable and parallel to the main structure. The second structure is badly decomposed and contains approximately 2/3 potash feldspar, and has no indicated mica potential.

Recommendations:

On the basis of an indicated strategic mica potential and good inferred structural continuity of the described wall zone, it is recommended that a contract be set up, based on adit work. It is suggested that about 600 cubic yards of bulldozing be done to deepen and prepare a portal site. About 100 feet of adit and/or crosscut should be driven to explore horizontally, the wall zone for concentrations of strategic muscovite, possibly controlled by dragfolding.

Cost Estimate:

Bulldoze an area approximately 40' x 20' x 20' to deepen and prepare a adit site. 600 cu. yds @ $0.30¢ per yd. $180.00

Drive 100 ft. of adit, drift and/or crosscut along the hanging wall zone (50 shifts)

Toolhouse	$76.00
Powder Magazine	25.00
Exploder Magazine	14.00
	115

Labor:

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

Equipment(rental)

Compressor, drill & jackleg @ $250/Mo.	625.00

Supplies:

Explosives	310.00
Drill steel	150.00
Gasoline and oil	190.00
Small tools and pipe	115.00
Timber, 1000 b.f. @ $65/M	65.00
Miscellaneous (including track)	180.00

Supplies (cont'd)

Liability Insurance	$140.00	
Social Security	28.00	
Sales Tax	30.00	
	$3,233.00	
Estimated cost of adit @ $32.33/ft.		
Estimated total cost of project.....		$3,528.00

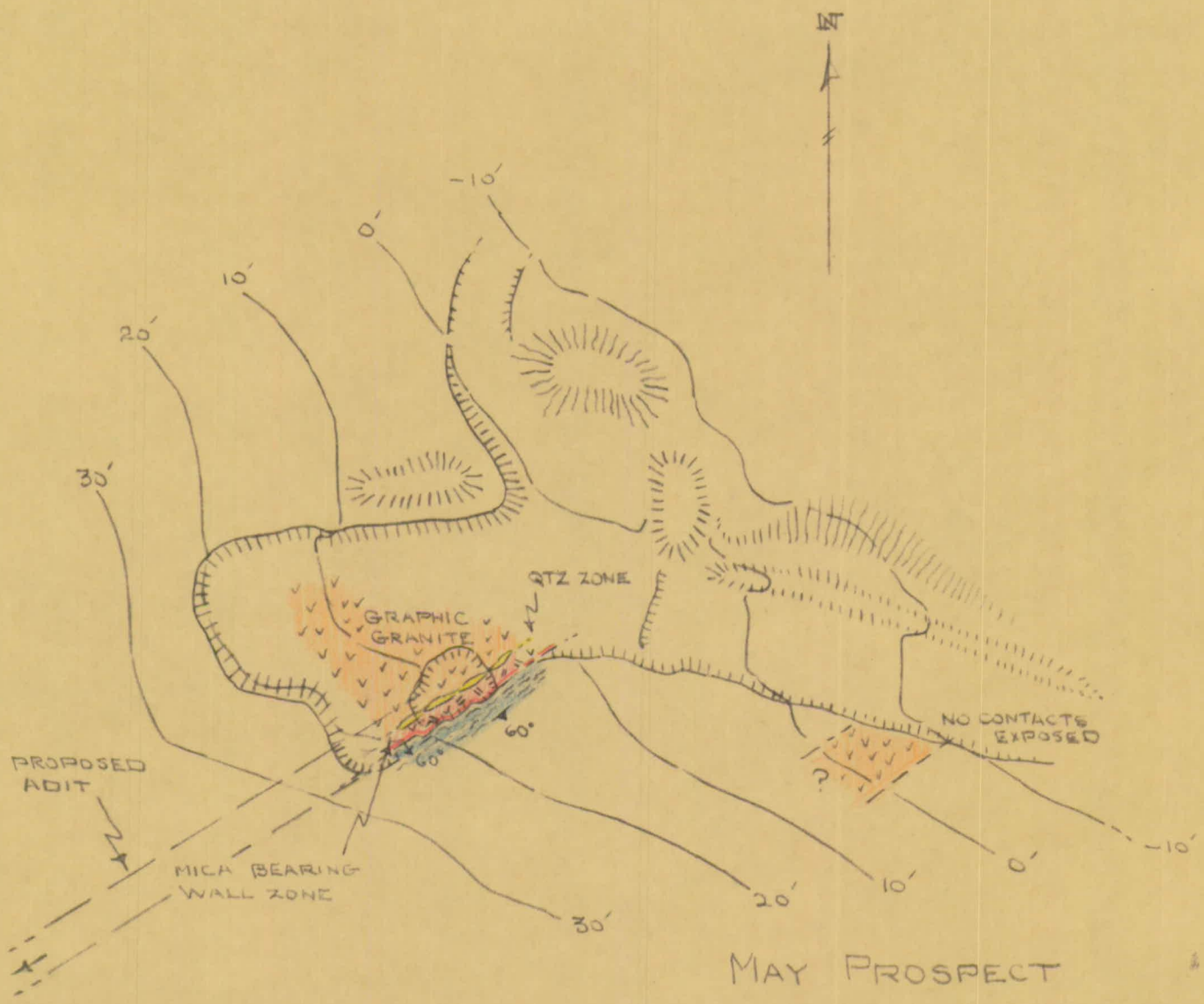
July 3, 1956

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

A. L. Peyton, Mining Engineer
Bureau of Mines

z



MAY PROSPECT

MITCHELL COUNTY, N.C.

DMEA-4232 (MICA)

SCALE: 1" = 20'

LEGEND

- MICA-BEARING CONTACT ZONE
- GRAPHIC TEXTURED PEGMATITE
- MICA GNEISS
- EXCAVATION
- DUMP

6/56

RECEIVED
JUL 5 - 1956

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Jefferson

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

600

APR 9 1956

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

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell 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 April 2 and 3, 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 (26)

Approved:

/s/ Robert W. Geehan (26)
Member, Bureau of Mines

N. E. Nelson (26)
Member, Geological Survey

WCAnderson:ms 4/4/56
Copy to: ✓Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

Enclosures: 4

R.G.K.

DOCKET COPY
Surname:
Anderson
Houk
Gehman
Selfridge
H Johnson

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

APR 9 1956

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4232-Mica
John Phillips
May Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 4/4/56
Copy to: ✓Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

R.G.

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

April 3, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4232 (mica)

Applicant: J. Phillips

Name and Location of Property: May Prospect, Mitchell Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 3/30/56

Comments:

1. No data available in this office on this property.

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

3. Total estimated costs are in the amount of $6,300.00.

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

RECEIVED
APR 3 - 1956

IN REPLY REFER TO:

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

RECEIVED
APR 3 - 1956

April 2, 1956

Re: DMEA 4232
John Phillips
May Prospect
Mitchell County, N. C.
$6,300 - 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 a very promising vein in which, it is believed, high quality ruby mica will be found.

The proposed work consists of:

Bulldozing 50 hrs.	$500.00
Shaft 60 feet	3,000.00
Drift 80 feet	2,800.00
Total	$6,300.00

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

March 30, 1956
Subject: DMEA-4232
Re: Exploration Assistance
May Prospect

Mr. John Phillips
Spruce Pine, North Carolina

My dear Mr. Phillips:

The receipt of your application dated March 27, 1956, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4232 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

MF-103
(Revised April 1952)

RECEIVED
MAR 30 1956

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. DMEA-4232
Metal or Mineral Mica
Date Received 3-30-56
Estimated Cost $6,300.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: John Phillips
Spruce Pine, N. C.

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

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

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

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

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

(*b*) State any mine name by which the property is known. May Prospect

(*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. Lease attached.

(*e*) If you own the land, describe any liens or encumbrances on it Do not own land.

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

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

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

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

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

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

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 sheet.

(*c*) The work will start within 30 days and be completed within ..... months from the date of an exploration project contract.

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

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 sheet.

(*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. Will furnish required 25%.

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated March 27, 1956

John Phillips
(Applicant)

By John Phillips

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

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

RECEIVED
MAR 30 1956

MF-103 (continuation sheet)

4. (a) No previous operations at this site.

   (b) No past production; new prospect.

   (c) There is a very promising outcropping of vein, and with exploration work, we believe high quality ruby mica may be found.

   (d) Project is accessible to roads and shipping.

   (e) Manpower, supplies and equipment are available. Power is about 900' away.

5. (b) We propose to bulldoze away overburden to uncover vein and best locate shaft, sink a 5'x7' shaft 60 feet deep; then drift 80 feet with vein.

6. Estimate of costs:

50 Hours Bulldozing @ $10.00 per hour	$ 500.00
60' Shaft @ $50.00 per foot	3000.00
80' Drift @ $35.00 per foot	2800.00
Total estimated cost of project	$ 6300.00

MINING LEASE

RECEIVED
MAR 30 1956

State of North Carolina Mitchell County:

This indenture made this 27th day of March, 1956, ~~1953,~~

between R. B. Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and John Phillips

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the part Y of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

Beginning on an iron stake at the center of what is known as the May Prospect. which is located 175' N.E. of another iron stake; and running 250' North: thence 250' West: thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located approximately 5 miles North of Wing, N.C.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8 (one-eighth)

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

Kenneth R McKinney
Notary Public
My Com Expires 8/17/57

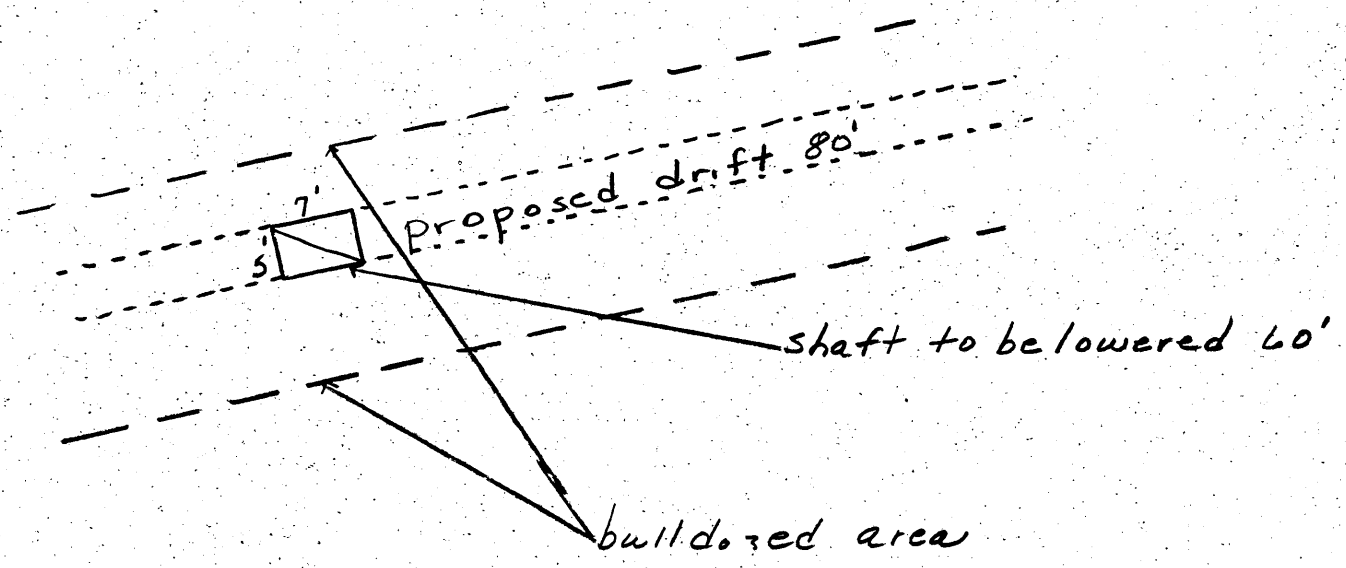
R B Phillips (Seal)

_____ (Seal)

_____ (Seal)

MAY PROSPECT

Mitchell County
N. C.



RECEIVED

John Phillips
Spruce Pine, N. C.

Mr. Lawrence G. Hawk, Chief
Nonmetallic Minerals Division
U. S. Dept. of the Interior, D. M. E. A.
Washington 25, D. C.

KAROLTON KLASP—9½ x 12½

MADE BY
THE AMERICAN ENVELOPE CO.
WEST CARROLLTON, OHIO