4

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Ted Higdon
Route 5
Franklin, North Carolina

pertaining to Exploration Project Contract No. Ida-2978, Docket No. DMEA-4236, for the month of August 1956, covering a project for the exploration of mica on property, known as the Dalton Mine located in Macon County, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$444.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$444.00

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

$333.00

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

E. D. Talbert
E. D. Talbert, Auditor

September 12, 1956

Division Copy

RECEIVED
JUL 5 - 1956

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*
4238	Mica	978	Macon	North Carolina

It is agreed JUL 23 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Ted Higdon

whose mailing address is Franklin, 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 ....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within six 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 $3,996.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $2,997.00, 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: None

(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 landowners

(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

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.

THE UNITED STATES OF AMERICA

TED HIGDON Ted Higdon
(Operator)

By Frank E. Johnson
ACTING Administrator, Defense Minerals Exploration Administration

[redacted] .....

.....

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
THE KIGDOM
DOCKET NO. IMRA-4838

JUL 7-1980

ANNEX I

The land referred to in Article 2 of the Contract is part of a parcel known as the J. M. Dalton lands described in a certain judgment entered in the case of The United States v. J. M. Dalton Heirs, and recorded in Book L-5, page 140 et seq. in the Office of Register of Deeds, Macon County, North Carolina. The land is more specifically described as follows:

> Beginning at a stake 250' North of a stake in the center of the Dalton Mine, thence 250' due East to a stake, thence 500' due South to a stake, thence 500' due West to a stake, thence 500' due North to a stake, thence 250' due East to the beginning stake.

The nature of the Operator's rights of property and possession in the land is that of lessee under a mining lease agreement dated March 22, 1956, entered into with the landowners Fred Arnold and his wife, Fannie Mae. The Consent to Lien of the landowners is attached to this Contract.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-978
Contract No. Idm-E
Contract Date JUL 23 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Moore, State of North Carolina, described as follows:1/ BEGINNING at a stake 250' North of a stake in the center of the Dalton Mine, thence 250' due East to a stake, thence 500' due South to a stake, thence 500' due West to a stake, thence 500' due North to a stake, thence 250' due East to the BEGINNING stake.

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__.

Fred M. Arnold [Seal] Franklin N.C.

Fannie Mae Arnold [Seal] Franklin, N.C.

_____ [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
TED HIGDON
DOCKET NO. DMRA-4238

EXHIBIT "A"

Description of the Work

The approximate location of the exploration project is shown on two maps entitled, "Map No. 1 Dalton Mine, Macon Co., N. C. DMRA-4238 (Mica) May 23, 1956" and "Location Map No. 2 Dalton Mine" attached hereto and made a part hereof.

The work shall be performed in two stages. The Operator shall perform Stage I, and shall perform as much of the Stage II work as is approved by the Government in writing.

The work consists of the following:

Stage I

Excavate a trench to expose the pegmatite, having approximate dimensions of 100 feet by 20 feet by 20 feet or approximately but not exceeding 1,480 cubic yards of excavation.

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 unflooored; shall be made from rough, unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

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

2. Construct an access road having the approximate dimensions of 400 feet by 8 feet by 1.5 feet, or approximately but not exceeding 175 cubic yards of excavation.

3. Drive not more than 100 feet of drift, crosscut and/or incline 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

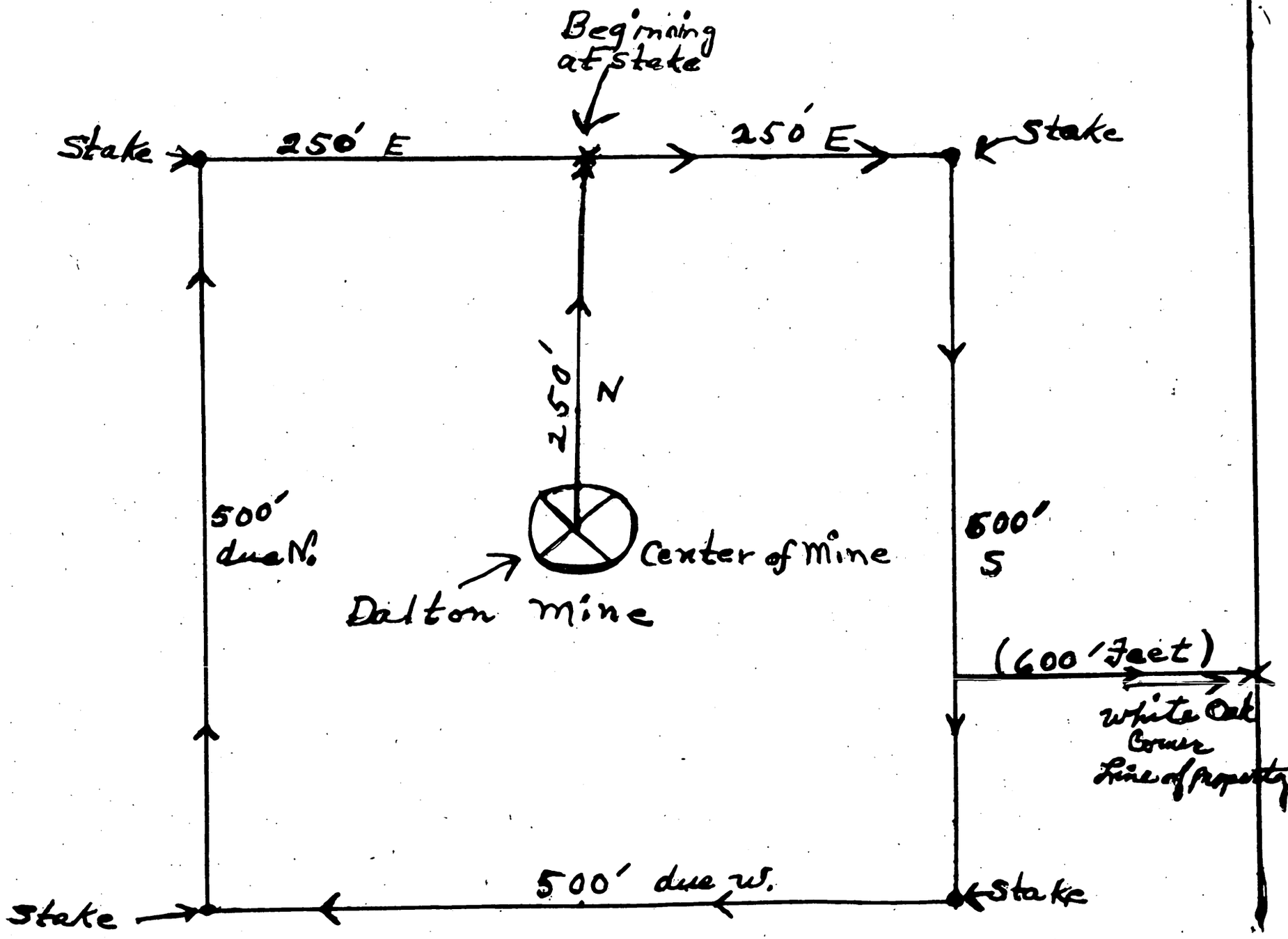
1. Excavate 1,480 cubic yards of trench @ $0.30 cu. yd.		$ 444.00

Stage II

1. Construct:		
Toolhouse 1/	$75.00	
Powder Magazine 1/	26.00	
Exploder Magazine 1/	16.00	117.00
2. Construct: 175 cubic yards of access road @ $0.20/cu. yd.		35.00
3. Drive 100 feet of drift, crosscut and/or incline @ $34.00/ft.		3,400.00
Estimated Total Cost of Project		$3,996.00
Government Participation @ 75%		$2,997.00

1/ The completed work constitutes the unit.

Location Map No. 2
Dalton Mine DMEA 4238



DMEA-4238 CLOSING LETTER TO OPERATOR 3/11/57

Letter to Mr. and Mrs. Fred M. Arnold
signers of Owner's Consent to Lien.

Project Summary Report 3-6-57

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

RECEIVED
OCT - 2 1956

October 1, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4238 (mica)

Applicant: Ted Higdon

Name and Location of Property: Dalton Mine, Macon County, N. C.

Contract Number: DMA-E 978

Date of Field Team Report: 9/18/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/24/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. The project was terminated upon completion of Stage I.

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

3. Expenditures -

Total approved	$3,996.00
Total cost	444.00
Gov't. share of the cost	333.00
Value of production during operation	None

Recommendation:

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

Signed

W. F. Dietrich

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 4238, Idm E 978
Ted Higdon
Dalton Mine
Macon Co., N. C.
Approved $3,996.00
Expended $ 444.00
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 $3,996.00 was approved for a work program consisting of bulldozing, shaft sinking, and drifting.

The pegmatite exposed before work was done contained little mica and the bulldozing failed to reveal more. Therefore the contract was terminated, only the bulldozing having been done. Old work, especially an adit, indicated the same lack of mica in the pegmatite.

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

I concur with that recommendation.

NENelson:btr
G 9/26/56

N. E. Nelson

N. E. Nelson

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

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

RECEIVED
SEP 20 1956

September 18,1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report on Idm-E978, DMEA-4238 (mica) Ted Higdon, R#5, Franklin, N.C.

Transmitted are four copies of the subject report. The Field Team concurs with the Examiners that no certification should be issued.

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

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

ZM:
cc:
Lynch
Shirley
Files

9-24-56

RECEIVED
SEP 2 0 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
by
Field Team, Region V

DMEA-4238, Idm-E978, DALTON MINE (mica)
Macon County, North Carolina

By

A. R. Taylor, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

Sept. 18, 1956

Reviewed by
DMEA OPERATING COMMITTEE
9-24-56
(date).

RECEIVED
SEP 24 1956

FIELD EXAMINATION REPORT

FINAL

On

DMEA-4238, Idm-E978,(mica) DALTON MINE
Macon County, North Carolina

Operator: Ted Higdon, Route #5, Franklin, North Carolina

Location: 5.2 airline miles N 15° E of Franklin, N. C.

Work began August 7, 1956 and was terminated at the end of Stage I, August 8, 1956. No facilities were constructed. Essentially no production resulted from Stage I.

A trench, trending N 30° W to N 70° W, was excavated. It is 125' x 15' to 18' by 25' deep (av.) (2083 cu yd 8). The work was performed satisfactorily.

The trench exposed the pegmatite described in the Examination Report of June 5, 1956, and disclosed it to be a long narrow tabular body only 20 to 25 feet wide. Pegmatite exposed is above the original adit and about 35feet above the floor of the cut. The body is not wide enough to warrant exploration because the middle has been cut through by the old adit.

Certification is not recommended.

Expenditures:	(a).	Total approved	$3,996.00
	(b)	Total cost of project	444.00
	(c)	Government's share of cost	333.00
	(d)	Government's share unexpended	2,664.00
	(e)	Production.....	none
	(d)	Royalty.....	none

September 17, 1956

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

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

z

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED SEP 12 1956

Month of August, 1956 Docket No. DMEA 1238 Contract No. Idmo-E978
Operator's Name Ted Higdon Minerals Mica
Address Route 5, Franklin, North Carolina
Contract Amount, $ 3,996.00 Government Participation: 75 % Amount, $ 2,997.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	$444.00		$444.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$444.00		$444.00	444.00		444.00

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

Date August 31 *Payee Ted Higdon

Per _____ Title Operator

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

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

(Instructions on reverse)

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

$ 333.00

Signature Helen R. Melin
(Authorized Certifying Officer)

Date SEP 10 1956 Vou. No. 37

(See other side)

111.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm E-978 in accordance with the terms of the contract.

Signature W. T. Beck Title Mining Engr. KSBM Date SEP 6 1956

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

EXECUTIVE OFFICER

Signature Robert A. Lawrence Title DMEA REGION V Date SEP 6 1956

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

RECEIVED
SEP 12 1956

Month of August 1956 Docket No. DMEA 4238 Contract No. Idm. 5978
Operator's Name Ted Higdon Minerals Mica
Address Route 5, Franklin, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu. Yd.	$444.00	1,480	$444.00	1,480	0.30	1,480	@0.30 cu.yds.
Total Distributed Costs		$444.00		$444.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		$444.00		$444.00				

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

Date August 31, 1956 Operator Ted Higdon

Per _____ Title _____

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

Remarks:

(Instructions on reverse)

(For Government use only)

Wm A Beck, Mining Engr
U.S.B.M. 9/5/56

INSTRUCTIONS

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

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

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

GPO 872894

RECEIVED
SEP 12 1956

Operators
Progress Report for August
1956

DMEA No. 4238---
4238

Work Accomplished

Bulldozing on contract DMEA No. 4238. Stage one cut trench 150 ft. by 30 ft. by 20 ft. wide.

Daily Notes

Aug. 6. Cut trench West 100 ft. by 16 ft. by 20 ft. wide. Started work 9 am.

Aug. 7. Bulldozed trench 125 by 20 by 20 ft. wide.

Aug. 8. Bulldozed trench 150 by 30 by 20 ft. wide.

H

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

RECEIVED
SEP - 7 1956

September 5, 1956

Memorandum

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

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

Subject: DMEA-4238, Idm-E978 (Mica)
Ted Higdon, Franklin, North Carolina
Dalton Mine, Macon County, North Carolina

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

Robert A. Laurence
Executive Officer

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

RAL/mg
Enclosures 4
cc
Oper. Comm. (2)
Lynch
Shirley
File

September 1, 1956

United States
Department of The Interior
Defense Minerals Exploration Administration
Re; DMEA-4238, Idm- E978 (mica)
Dalton Mine, Macon County, N.C.

RECEIVED
SEP - 7 1956

Stage one; Final engineering report. Bulldozed trench 100 ft. by 20 ft. by 20 ft. and more to expose vein.

Pegmatite vein dips south out of cut.

Pegmatite vein is approximately 15 ft. above bottom of cut.

Signed Ted Hughton

RECEIVED
SEP 4 - 1956
U. S. [illegible] Survey
Geologic Division
Knoxville, Tenn.

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

August 29, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Docket No. DMEA-4238, Contract Idm-5928 (Mica)
Ted Higdon, Route 5, Franklin, N. C.
Dalton Mine, Macon County, North Carolina

Enclosed are four copies of the latest interim report.

A letter has been sent to the Operator, stating that Stage II will not be approved.

Certification will not be recommended.

Robert A. Laurence

RAL/mg
Enclosures 4
cc - Operating Committee (3)
Mr. V. J. Lynch
Mr. L. E. Shirley
File

INTERIM REPORT

DMEA-4238, Idm-E928 (mica) DALTON MINE

OPERATOR: Ted Higdon, Rt. #5, Franklin, N. C.

LOCATION: 5.2 airline miles N15°E of Franklin, Macon Co., N. C.

Stage I of this contract consisting of trench excavation has been completed without exposing workable pegmatite in the floor of the open cut. Stage II does not appear justified, and it is recommended that the contract be terminated by mutual consent of both parties.

The excavated trench trends N 30° W turning to N 70° W, and is 125 feet long by 15-18 feet wide, by 25 feet deep (Ave.). The work was conducted satisfactorily and in accordance with the Field Examiners' suggestions. Pegmatite can now be observed above the portal of an original adit for a horizontal distance of 20-25 feet and is approximately 35 feet higher than the floor of the trench. No pegmatite was exposed that appeared worthy of additional exploration in the form of Stage II. It is suggested that this contract be terminated with the completion of Stage I, and that the necessary forms be sent to the Operator for his signature.

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

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

August 23, 1956

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

August 27, 1956

Mr. Ted Higdon
Route 5
Franklin, North Carolina

Re: DMEA-4238, Idm-E928 (Mica)
Dalton Mine
Macon County, North Carolina

Dear Mr. Higdon:

As work done under Stage I shows that further work at the Dalton mine is not justified, Stage II will not be approved. The contract may, therefore, be considered as terminated upon completion of Stage I.

Please submit your final report (see article 5-c of contract) when you send your voucher for the Stage I work.

Sincerely yours,

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

RAL/mg
cc
Oper. Comm. (3)
Finance Office
Lynch
Shirley
File

RECEIVED
AUG 2 1 1956

RECEIVED
AUG 15 1956

Interim Report

DMEA-4238, Idm-E928 (mica) DALTON MINE

Operator: Ted Higdon, Route No. 5, Franklin, North Carolina

Location: 5.2 airline miles N15°E of Franklin, Macon County, North Carolina

The starting date on this contract is August 7, 1956. Approximately 7 hours of trenching by bulldozer had been completed up to the time of this visit. Pegmatite 3 to 4 feet thick was exposed near the portal of an existing adit composed of kaolinized feldspar, scattered quartz and small blocks of muscovite mica. Random mica recovered from trenching was examined and appeared to be of very good quality and contained very little mineral staining.

The operator was advised to continue trenching until proper depth on the body is reached. Another visit will be made when the Examiners are again in the area to determine if Stage II of the contract is justified.

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

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

August 6, 1956

RECEIVED
JUL 27 1956

July 25, 1956

Mr. Ted Higdon

Franklin, North Carolina

Re: DMEA-4238, Idm-E978 (mica)
Dalton Mine, Macon County, N.C.

Dear Mr. Higdon:

Attached is your signed copy of the subject contract.

A starting date of September 1, 1956 has been inserted but you may begin work before that date if you wish. Please notify this office when you start work.

Very truly yours,

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

ZN.
cc:
Lynch
Finance Office
Opr. Com.-2
Files
Shirley

JUL 23 1956

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

Re: Docket No. DMSA-4238 - Mica
Ted Bigdon
Dalton Mine
Macon County, North Carolina

Dear Mr. Laurence:

Enclosed are the Operator's, Field Team's and Finance Officer's copies of the subject contract which have been dated, numbered, and executed by the Administrator for the Government.

Please fill in and advise this office of the starting date, and make the usual distribution.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

LGHouk:gad 7/20/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 3

RECEIVED
JUL 7 - 1956

July 2, 1956

Memorandum

To: Operating Committee, DMEA- Washington

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

Subject: Proposed Contract, DMEA-4238, Ted Higdon (mica)
Macon County, N. C.

Transmitted are six copies of the subject contract signed by Mr. Higdon and six copies of the Consent to Lien signed by the land owners. All copies are being returned for the signature of the Administrator.

Robert A. Laurence

ZM.
cc:
Lynch
File
Opr. Com-2

RECEIVED
JUL 5 - 1956

July 2, 1956

Memorandum

To: Operating Committee, DMEA- Washington

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

Subject: Proposed Contract, DMEA-h238, Ted Higdon (mica)
Macon County, N. C.

Transmitted are six copies of the subject contract signed by Mr. Higdon and six copies of the Consent to Lien signed by the land owners. All copies are being returned for the signature of the Administrator.

Robert A. Laurence

ZM,
ec:
Lynch
Files
Opr. Com-6

600

JUN 2 5 1956

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

Re: Docket No. DMEA-4238-mica
Ted Higgins
Dalton Mine
Mason County, North Carolina

Dear Mr. Lawrence:

Enclosed are the original and five copies of an unexecuted contract. Please note the Administrator has not signed the contract. (1) Attachments to the contract are Annex I, Exhibit "A" (2 pages) and two maps of the Dalton Mine. Two extra copies of Annex I, Exhibit "A" and the maps are enclosed for the use of the Field Team. Also enclosed are seven copies of a Consent to Lien to be attached to the contract when properly executed by the land owners. Copies of an executed Subordination Agreement and an unsuitable Consent to Lien are also enclosed. Please return these to the land owners.

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. After execution by the operator, all copies are to be returned to this office for execution by the Administrator.

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

Copies of memoranda dated June 12 and 21, 1956, by Mr. N. E. Nelson, UMGS, and Mr. W. F. Dietrich, GSEN, respectively, relating to the project are enclosed.

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee

Enclosures: 23 are

P.S. Contracts are to be signed by Operator before execution by the Government. This action is necessary as administrative safeguard until Defense Production Act is extended by the Congress. Please do not date.

Mr. Hunt
Amer. R. File

Replies: 6/21/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 9322
Mr. Dietrich, 3061

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

RECEIVED
JUN 22 1956

June 21, 1956

Memorandum:

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4238 (mica)

Applicant: Ted Higdon, Franklin, N. C.

Name and Location of Property: Dalton Mine, Macon County, N. C.

Date of Field Team Report: 6/5/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: ?

Field Team Recommendation: Approval of a 2-stage, unit-cost project estimated to cost $3,972.70

Comments:

1. Stage I of the proposed exploration project will prepare a site for either an inclined shaft or an adit to explore the pegmatite down-dip.

2. Stage II calls for construction of a tool house, powder and exploder magazines, 400 feet of access road, and 100 feet of incline and/or drift or crosscut.

3. The possibility of developing reserves of strategic grade ruby muscovite mica down dip is good.

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

Recommendation: I concur with the field team recommendation.

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
JUN 12 1956

June 12, 1956

Re: DMEA 4239
Ted Rigdon
Dalton Mine property
Mason Co., W. V.
Appl. st. $10,375.60
Recom'd st. 3,971.90
Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a flat pegmatite already explored by a 125-foot partly caved adit. The pegmatite is 6 to 12 feet thick and has a quartz core 2 to 2½ feet thick.

The pegmatite now bears little mica, but rub mica is found in the dump. The examiners believe more may be found and recommend a 2-stage work program consisting of:

Bulldozing	$444.30
Construction, sampling, etc.	115.00
Drifting 100 feet	3,412.60
Total	$3,971.90

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

H. E. Nelson

H. E. Nelson

HENelson:btr
G 6/12/56

cc: W. F. Dietrich, 3061
Director's Reading File (4212)
Branch Reading File (4212)
DMEA(3)
Chron. File
Docket File

Memorandum

To The Files

From James Hopkins

Subject Evaluation of Application and Field Team report

Strategic ruby muscovite occurs in a zoned 6 ft. thick pegmatite. Strong indications of down-dip continuity suggest that exploration may indicate reserves of mica.

Mica:

Ruby muscovite found in the dump is flat, clear, and 4 inches to 6 inches in width. Muscovite also exists in the pegmatite along the wall zones and adjacent to the quartz core in the feldspar zone. No strategic mica left in place by the miners. Therefore crystal count is not feasible.

Pegmatite and Country Rock:

A tabular, discordant, zoned, mica-pegmatite, 6 ft to 12 ft thick has been emplaced in shear zone (pre-pegmatite). Some faulting was also observed which is post-pegmatite.

It is composed of a massive quartz core 2' to 2.5' thick, medium-grained Kaolinized feldspar and ruby muscovite.

The country rock is a highly metamorphosed gneissoid migmatite.

Workings:

Workings consist of a partly caved adit:

in weathered material 4½ ft to 12 ft wide, 6 ft to 12 ft high, and 105 ft long which trends S25°W into a hillside between camel marks.

Economics:

There is no mention of previous production in the field team report.

Recommendations:

I concur in the field team's recommendation of a 2-stage unit-cost program.

The Commodity Divisions of the Bureau of Mines and Geological Survey also concur.

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

RECEIVED
JUN 7 1956

June 5, 1956

Memorandum

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

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

Subject: Field Examination Report - DMEA-4238 (Mica)
Ted Higdon, Franklin, North Carolina
Dalton Mine, Macon County, North Carolina

Enclosed are four copies of the subject report, and nine extra copies of the map. Also, enclosed are six signed copies of a new Consent to Lien for a square with the Dalton Mine at its center. Presumably the "center of the mine" means the portal of the adit as shown on the field examiners' map. The "white oak corner" is a corner of the property which Mr. Higdon has under lease. The new Consent to Lien and land description were received after the report had been prepared.

We believe this pegmatite is worth exploring, and recommends two-stage, unit cost contract as proposed in the report.

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

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

RAL/mg
Enclosures 4
cc - Operating Committee (3)
Mr. V. J. Lynch
Mr. L. E. Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
6-11-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REGION V

FIELD EXAMINATION REPORT, REGION V

ON

DMEA-4238, DALTON MINE (mica)
Macon County, N. C.

BY

A. R. Taylor, Geologist
Geological Survey

and

L. E. Shirley, Mining Engineer
Bureau of Mines

June 5, 1956

Reviewed by
DMEA OPERATING COMMITTEE

(date)

EXAMINATION REPORT
On

DMEA-4238, DALTON MINE (mica)

Applicant: Ted Higdon, Route 5, Franklin, North Carolina

Summary

Strategic ruby muscovite occurs in a zoned, 6 ft thick pegmatite. Strong indications of continuity down-dip suggest that exploration may indicate reserves. It is recommended that a 2-stage unit-cost program be approved.

Introduction

Location

The Dalton Mine is on the northern slope of Lyle Knob, Macon County, North Carolina. It is 5.2 airline miles, N. 15° E. of the town square in Franklin, N. C. (SW corner, Greens Creek, N. C., TVA, Quadrangle 166-SE, 1941, 1/24,000).

Another Dalton Mine exists west of the leased area about 800 - 900 feet (Mine described in USGS unpublished Blue Ridge Manuscript).

Examination

The field examiners inspected the Dalton Mine on April 24, 1956, in the company of Mr. Ted Higdon and Mr. J. L. Stamey. Two hours were spent in the examination.

Applicant, Facilities and Equipment

A jeep road ends about 400 feet down-slope from the mine.

The applicant appears competent to carry out the proposed program. He does not own the equipment to be used, but will rent it.

No facilities are on the property.

Leased Area

The applicant was requested verbally and by letter to survey the area proposed for exploration and tie the mine in with a property corner (letter to the applicant enclosed). To date no further legal description has been received by the Knoxville, Tennessee, office of DMEA.

Geology

Present Workings

The mine consists of a partly caved adit in weathered material 4.5 ft to 12 ft wide, 6 ft to 12 ft high, and 105 ft long which trends S. 25° W. into a hillside between caved works.

Pegmatite and Country Rock

A tabular, discordant, zoned, mica-pegmatite, 6 ft to 12 ft thick has been emplaced in a shear zone (prepegmatite ?). Some faulting about midway the adit is post-pegmatite.

It is composed of a massive quartz core (2 ft to 2.5 ft thick), medium-grained kaolinized fledspar (with iron and manganese stains) and ruby muscovite.

At the footwall contact (20-ft point in adit) of the pegmatite and country rock, the strike is N. 60° W. and the dip is 25° SW, while the hanging wall strikes (about 95 ft point) N. 25° W. and dips 25° SW.

The country rock is a highly weathered gneissoid migmatite. The foliation ranges from due N. and 45° E. dip at the footwall contact near the portal, to N. 25° W., 25° SW at the hanging wall contact. At the 50-ft point the foliation on the southeastern side is N. 25° E., 45° NW, but on the opposite side of the adit at the same point it is N. 25° E., and 55° SE. This is the post-pegmatite fault zone noted as atypical of the whole body.

Muscovite

Ruby muscovite found in the dump is flat, clear, and 4 in. to 6 in. in width. Due to the prevalent practice of miners robbing mines of the mica books that are easily recovered, little strategic muscovite has been left in place, therefore making a crystal count impracticable; however, muscovite exists along the wall zones and adjacent to the quartz core in the feldspar zone.

Proposed Exploration

A two-stage, unit-cost exploration program is recommended. Stage I should consist of a crosscutting trench about 100 ft x 20 ft x 20 ft deep in soft material to prepare a site for an incline or an adit to explore the pegmatite down-dip.

Stage II should consist of the construction of the necessary facilities, an access road about 400 ft in length, and 100 ft of adit, incline and/or crosscut. It is possible to rehabilitate the existing partly caved adit, but it would have to be timbered throughout its length and slabbed considerably. The rehabilitation costs seem prohibitive; thus it is proposed that the trench explore the width of the pegmatite body and prepare a portal site. The portal may be started on the footwall contact.

Estimated Expenditures

Stage I

Trench 100' x 20' x 20' = 40,000 cu. ft
or about 1481 cu. yd. @ $ .30/cu.yd. = $~~444.90~~
1480 444.00

Stage II

a. Construct:

Toolhouse	$75.00	
Powder magazine	~~25.00~~ 26.00	
Exploder magazine	~~15.00~~ 16.00	
Total		~~115.00~~ 117.00

b. Construct:
400' access road.
400' x 8' x 1.5' = 4,800 cu. ft
or about ~~177~~ 175 cu. yd. @ $ .20/cu. yd. = 35.~~40~~ 35.00

c. Drive (at a point located by the Government)
100 ft of drift, crosscut, and/or incline
2' of advance/day = 50 shifts

1. Labor:

1 Miner @ $1.50/hr.	$600.00	
2 Laborers @ $1.00/hr.	800.00	
Total		1,400.00

2. Equipment (rental):

Compressor, drill, and jackleg 2.5 mos. @ $250.00/month	625.00

3. Supplies:

Drill steel	$150.00
Gasoline and oil	200.00
Explosives	380.00
Timber, 3 M @ $65/M	195.00
Small tools - pipe	100.00
Miscellaneous	100.00
Total	1,125.00

4. Tax, Insurance, etc.

Liability Insurance	$140.00
Social Security and Unemployment Insurance	56.00
Sales Tax	31.00
Total	227.00

TOTAL ~~$3,971.70~~

14.00
6.25
11.20
2.22
$33.77

3400
35
117
444
$3996.00
799.2
4795.2

Average cost of adit per ft = $33.77 or $34.00.

A. R. Taylor, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

June 5, 1956

COPY

May 4, 1956

Mr. Ted Higdon
Route 5
Franklin, North Carolina

Re: DMEA-4238 - Mica
Dalton Mine
Macon County, North Carolina

Dear Mr. Higdon:

We cannot use the description of the land given in the application because of its being too indefinite in its tie-in with a Dalton tract oak corner. The acreage is sufficient. Please give us the following information.

1. The bearing and distance from one (designate which one) of your 6 acre (actually 5.74 acres) property corners to a designated corner such as the oak you mentioned on the Dalton tract.

2. The bearing and distance from the center of the mine we examined to one of the corners (designate which one) of the 6 acre property.

Mr. Shirley and I will be in Franklin, North Carolina at the Franklin Motel Monday night, May 7, and possibly Tuesday night. Could we meet you on Monday or Tuesday night to discuss this? If not, as long as you understand what is needed, it will be all right.

It is suggested, however, in order to protect yourself as well as the government, that you have those bearings and distances surveyed. I hope you will understand that the tie-in on the "northeast" bearing in the present description is too indefinite.

Very truly yours,

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

ART/mg
cc
Lynch
Shirley
files
Taylor

Mr. Ted Higdon
Route #5
Franklin, North Carolina

APR 27 1956

Re: Docket No. DMEA-4232-nion
Ted Higdon
Dalton Mine
Macon County, North Carolina

Dear Mr. Higdon:

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

JHopkins:mm 4/26/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Killaghard, 5222
Mr. Dietrich, 3061
Mr. Hook
Mr. Hopkins
Admr. R. File

APR 27 1956

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

Re: Docket No. DMEA-4233-mica
Ted Higdon
Dalton Mine
Mason 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 6 and 9, 1956, by Mr. M. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

JHopkins:ms 4/26/56

Approved:
/s/ Robert W. Geeham

Member, Bureau of Mines
Thor H. Kiilsgaard

Member, Geological Survey

Enclosures: 4

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

600

158

Mr. Ted Higdon
Route #5
Franklin, North Carolina

Re: Docket No. DMLA-4235-Hign
Ted Higdon
Dalton Mica Property
Macon County, North Carolina

Dear Mr. Higdon:

Reference is made to your application for exploration assistance dated March 23, 1956.

We are returning our copy of the unexecuted mining lease for signatures and address of the property owners - Fred M. Arnold and Fannie Mae Arnold.

Upon receipt of the lease properly executed, we will continue to process your application.

Sincerely yours,

Lawrence G. Hook, Chief
Nonmetallic Minerals Division

Enclosure

JHopkins:rmm 4/19/56
Copy to: Docket
Field Team, Region V
Mr. Hillegaard, 5202
Mr. Mistrich, 3061
✓Mr. Hook
Mr. Hopkins
Admr. R. File

(SIGNED LEASE RETURNED WITH ORIGINAL OF THIS LETTER 4/25/56)

↓

NOTE ON LETTER: -

ADDRESS:
FRED M. ARNOLD AND FANNIE MAE ARNOLD
FRANKLIN, N.C. -

IN REPLY REFER TO:

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

April 6, 1956

Re: DMEA 4238
Ted Higdon
Dalton Mine property
Mason Co., N. C.
$10,373.60 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring a pegmatite on an old mine property. The relationship of the proposed work to the old workings is not set out. Perhaps a different pegmatite is to be explored since "Outcroppings indicate large ore reserve of high grade strategic ruby mica." Just why a mine operator would leave such a showing is not told us.

The work proposed consists of a crosscut to and drifts on the vein. A portal site is to be prepared by bulldozing. The estimated cost is:--

Bulldozing, 30 hours		$ 360.00
Crosscutting and drifting 300 feet at $29.22/ft.		8,766.00
Shods		250.00
Contingencies		937.60
	Total	$10,313.60

Referral to the Field Team for appropriate action and report is recommended.

H. E. Nelson

H. E. Nelson

HENelson:iml
G-4/6/56

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

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

RECEIVED
APR 9 - 1956

April 9, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4238 (mica)

Applicant: Ted Higdon

Name and Location of Property: Dalton Mine, Macon Co., N. C.

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

Comments:

1. No data available in this office on subject mine.
2. Applicant states that mica was produced from this site during World War I.
3. The proposed exploration calls for half the drifting to be done in barren country rock.
4. 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.

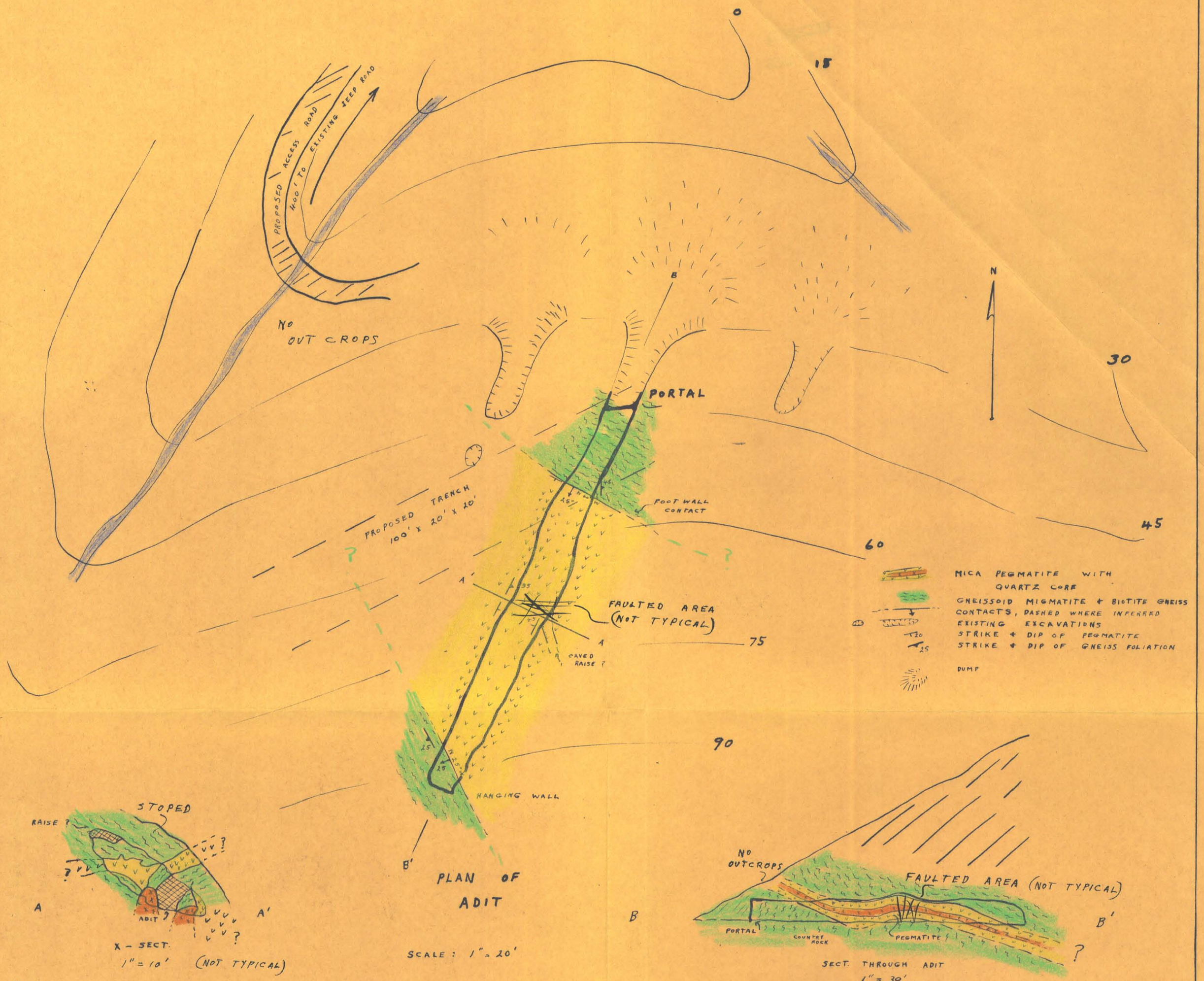
Signed
W. F. Dietrich

DALTON MINE

MACON CO., N.C.

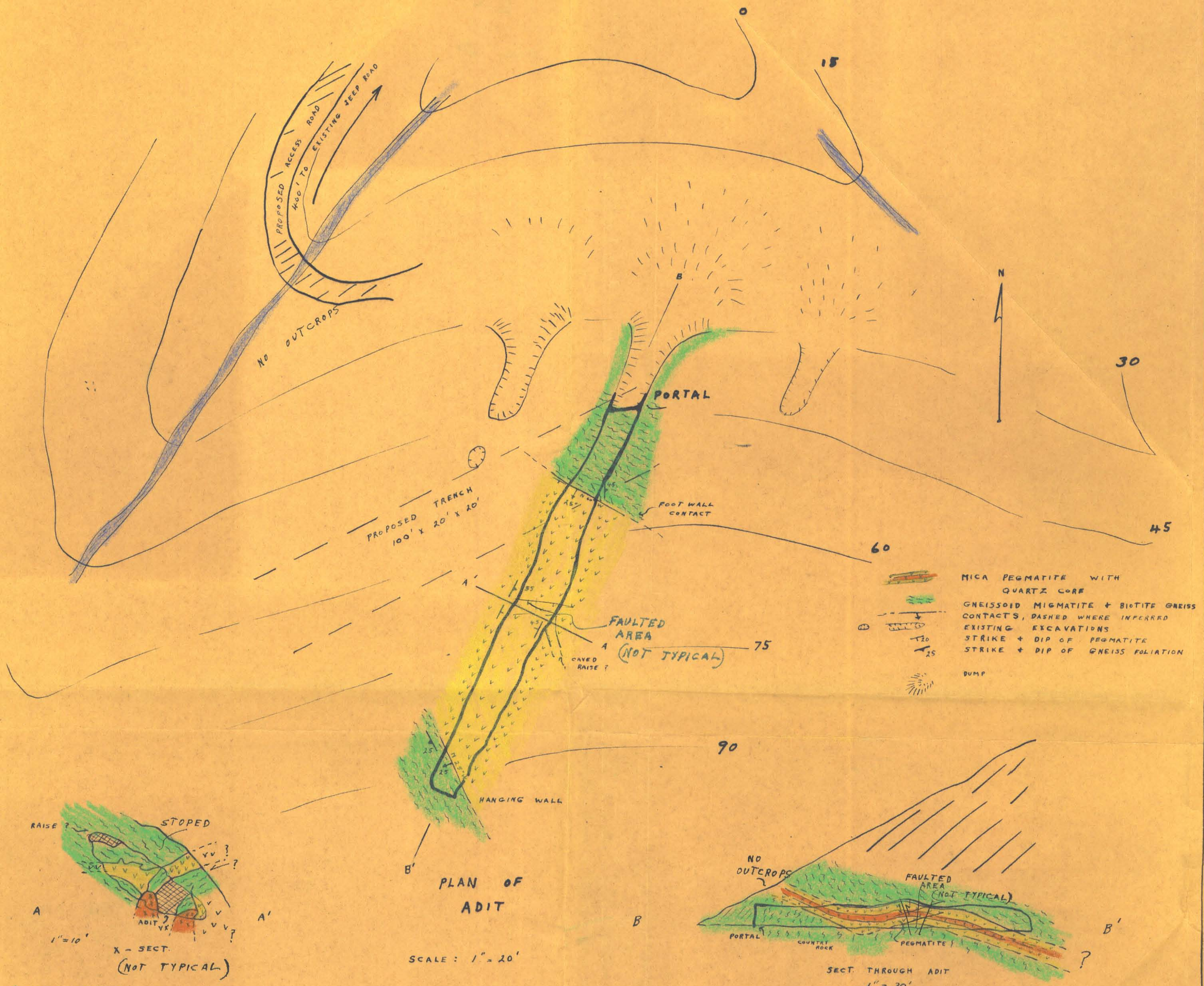
DMEA - 4238 (MICA)

MAY 23, 1956



DALTON MINE

MACON CO., N.C.

DMEA - 4238 (MICA)

MAY 23, 1956