DMEA 4247

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 4-12-56

2. CONTRACT DATE 5-10-56

3. TERMINATION AGREEMENT: DATE

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

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Docket copy

MF-200A
(Revised June 1954)

Docket No. DMEA 4247

Commodity Mica

Contract No. Idm-E 951

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

It is agreed this MAY 1 0 1956 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] ED BUSKINS, whose mailing address is Route 3 Bakersville, North Carolina, hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and ~~and Annex II, and map.~~

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

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of North Carolina, County of Mitchell, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] Lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] Lease, [7] recorded in Book ....., page ....., official records of said County; and

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

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

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

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

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of uran. The work to be performed is described in Exhibit "A." The Operator on or before JUL 1 1956 shall commence the work, and on or before November 1, 1956 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $3,553.00 The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $2,664.75: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

ED HUSKINS
(Operator)

By Ed Huskins

THE UNITED STATES OF AMERICA

By O. Mitchendorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
XD HUSKINS
DOCKET NO. DMKA-4247

ANNEX I

The land referred to in Article 2 of the Contract is known as the Rosby Edwards Mine. The mine is situated on lands now owned by Rosby Edwards and also known as the Will Norman place and is approximately 1,000 feet south of Ledger School and North Carolina Highway No. 26 in Snow Creek Township, 4.2 airline miles N. 40° W. of Spruce Pine, Mitchell County, North Carolina, and includes 500 feet in all directions from the center of the opening of the two-compartment inclined exploration shaft which is being sunk pursuant to this Contract.

EXPLORATION PROJECT CONTRACT
ED MUSKINS
DOCKET NO. DMMA-4247

ANNEX II

WHEREAS, the property described in this Contract was included in Exploration Project Contract Idm-2852 (Docket No. DMMA-3825), dated August 10, 1955, between the Government and Paul Freeman, hereinafter called the "Prior Contract"; and

WHEREAS, in accordance with the terms of the Prior Contract, Paul Freeman constructed a toolhouse and a powder magazine, and sank the two-compartment inclined shaft 18 feet at a cost of $911.00, to which cost the Government contributed 75%, amounting to $683.25; and

WHEREAS, Paul Freeman then abandoned the land and performed no further work; and

WHEREAS, the work now provided for in this Contract is a continuation of the work specified in the Prior Contract, and the Operator, Ed Muskins, is willing to assume the obligation for payment of royalties that might be due the Government with respect to the funds heretofore contributed by it under the Prior Contract;

NOW, THEREFORE, it is agreed as follows:

The term "total net amount contributed by the Government" in clause (1) and clause (2) of Article 7(b) of the Contract shall include not only all funds contributed by the Government pursuant to this Contract but also the sum of $683.25 contributed by the Government under the Prior Contract. It is further understood that this agreement shall not be construed as releasing Paul Freeman, the Operator under the Prior Contract, from any liability thereunder.

EXPLORATION PROJECT CONTRACT
ED HUSKINS
DOCKET NO. DMMA-4247

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled "Sketch of Rocky Edwards Mine, Mitchell Co., N.C. DMMA-4247 (mica) June 27, 1955," as follows:

1. Construct an exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 feet, boxed on all sides, made from 2-inch hardwood or 3-inch softwood lumber, and braced at the corners. No metal shall be exposed; and the lid shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Sink a 2-compartment inclined shaft a distance not to exceed 32 feet.

3. Explore the pegmatite by driving not more than 60 feet of drifts and/or crosscuts from the bottom or near the bottom of the inclined shaft.

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

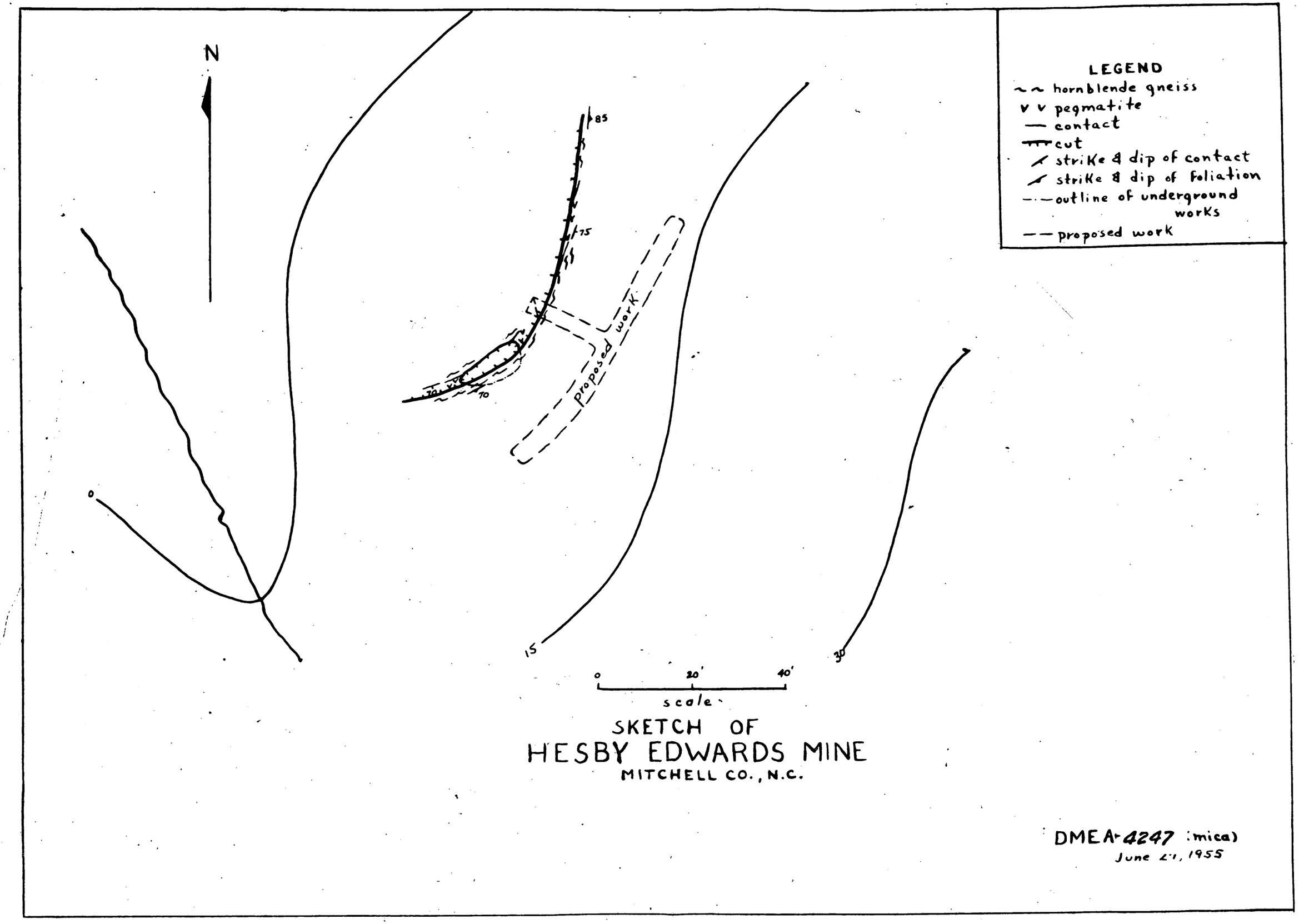
The location, inclination, direction, and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

Constructing Exploder Magazine 1/	$ 13.00	
Sinking 32 feet of inclined shaft @ $45.00/ft.	1,440.00	
Driving 60 feet of drifts and/or crosscuts @ $35.00/ft.	2,100.00	
Estimated Total Cost of Project under Contract		$3,553.00
Government Participation @ 75%		$2,664.75
Contribution of Government under Prior Contract (See Annex II)		683.25

Total of Government's Contribution under Both This Contract and the Prior Contract (see Annex II)	$2,348.00

1/ The completed work constitutes the unit.



SKETCH OF
HESBY EDWARDS MINE
MITCHELL CO., N.C.

DMEA-4247 (mica)
June 21, 1955

RECEIVED
APR 12 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 951
Contract Date MAY 10 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/ The Hesby Edwards Mine located in Snow Creek Township, Mitchell County, N. C., said mine located on lands now owned by Hesby Edwards and also known as the Will Norman place; includes old works and 500' working space from site of proposed exploration shaft. ~~in each direction~~.

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.

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 6th day of April, 1956.

Hardy Edwards [Seal]

Mrs Cary Edwards [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]

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Anderson	600
4/30	Houk	600
4-30	Chambers	800
5/1	Selbrede	120
5/1	Johnson	110
5/1	Mittendorf	100
5/2		220
		~~150~~
		225

600

MAY - 1 1957

Mr. Hesby Edwards and Mrs. Cary Edwards
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4247-Mica
Ed Huskins
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E951

Dear Mr. and Mrs. Edwards:

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 April 6, 1956.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosure

WCAnderson:rsi 4/29/57
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
4/30	Anderson	600
5/1	Houk	600
4-30	Chambers	800
5/1	Selfridge	120
"	Johnson	110
"	Whitenson	100
		220

600

MAY - 1 1957

Mr. Ed Huskins
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4247-Mica
Ed Huskins
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E951

Dear Mr. Huskins:

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

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 4/29/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

L Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Anderson	600
9/30	[illegible]	600

600

Project Summary Report

By: Walter C. Anderson, Nonmetallic Minerals Division

1. Docket No. DMEA-4247-Mica
Contract No. Idm-E951
Hesby Edwards Mine
Mitchell County, North Carolina

Application: Form MF-103 (April, 1952) received April 10, 1956.

Operator: Ed Huskins
Route 3, Bakersville, North Carolina

Operator's Property Rights: Five year mining lease on the Hesby Edwards property, dated April 6, 1956. Consent to Lien dated April 6, 1956.

Work Proposed by Applicant: To complete the work started by Paul Freeman under DMEA-3825, Idm-E852, and assume obligations of Paul Freeman, as follows:

Work under DMEA-3825:	
Construction - Toolhouse and Powder Magazine	$101.00
18 feet of shaft @ $45.00/ft.	810.00
Total under DMEA-3825	$911.00
Government participation 75%	$683.25
Work proposed under subject contract by Operator:	
Construction - Exploder Magazine	$13.00
32 feet of inclined shaft @ $45.00/ft.	1,440.00
60 feet of drifts and/or crosscuts @ $35.00/ft.	2,100.00
Total amount requested	$3,553.00

2. Contract: Form MF-200A (June, 1954) dated May 10, 1956.

Work Authorized: Same as proposed by Operator.

Amendments: None.

Work Completed: Same as proposed by Operator.

Total	$3,553.00
Government participation 75%	$2,664.75
Government participation under prior contract DMEA-3825	683.25
Total Government's participation under DMEA-3825 and 4247	$3,348.00

8623

Work on subject contract began June 1, 1956 and was completed on September 4, 1956. Field Team Final Report received November 2, 1956. Operator's Final Report dated September 5, 1956, received on September 12, 1956. No equipment purchased under contract. About 1100 pounds of "mine-run mica" produced during project, which netted 65.63 pounds of trim and 128 pounds of punch. Total value $582.65. Royalty paid $29.13. This mica occurred only where pegmatite changed dip and strike abruptly. Rest of pegmatite is barren of mica.

3. Audit: Report of Review issued September 20, 1956.

Total accepted cost	$3,553.00
Government participation 75%	$2,664.75

4. Certification of Discovery: None issued. No significant reserves of strategic mica.

5. Comments:
How Conducted: All of the work in which the Government participated was accepted.
Operation: Good.
Engineering: Reporting by Operator was satisfactory.

Geologic Premise: The premise that a pegmatite exposed at the surface containing strategic mica would persist in depth and extent was not correct, as the pegmatite was barren except for a concentration at a relatively confined zone, plunging steeply to southeast.

Geologic Criteria upon which work was based:
1. Pegmatite: Up to 5 feet thick and exposed for 35 feet along strike. No apparent zoning and conformable to hornblende gneiss wall rock. Mineral occurrence in order of abundance; soda feldspar, quartz, muscovite, biotite, and garnet.
2. Mica: Ruby, hard and clear. Some books are cracked, curved and somewhat stained. Up to 6 inches across, abundant occurrence.

Criteria Developed during Project:
1. Pegmatite: 4 to 7 feet thick, essentially concordant with hornblende-biotite gneiss. Changes from unzoned plagioclase, quartz, and biotite dike at surface to practically zoned pegmatite at depth.
2. Mica: Flat, hard, and easily split, containing some biotite staining. Very little recovered, percentage of sheet recovery is about 6%. In both headings pegmatite is barren of mica.

Future Possibilities: None, because of small recovery and low indicated potential of "mine-run-block" mica.

Recommendations: The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and Geological Survey concur in the Field Team's recommendation not to certify.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

IN REPLY REFER TO:

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

RECEIVED NOV 19 1956

November 19, 1956

Re: DMEA 4247, Idm-E951
Ed Huskins
Hesby Edwards Mine
Mitchell County, N. C.
$3,550.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final Report.

The contract approved the expenditure of $3,550.00, all of which was spent.

The work done consisted of 32 feet of shaft and 60 feet of drift in a 4 - 7-foot pegmatite. About 1100 pounds of run-of-mine block mica was recovered at the point the pegmatite changed dip and strike abruptly. The remainder of the pegmatite was essentially barren of strategic mica.

Because the pegmatite lacks promise of being the host of strategic mica, the examiners and the Field Team recommend that no certification of discovery be issued.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

Cw

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

RECEIVED NOV 15 1956 D.M.E.A.

November 14, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4247 (mica)

Applicant: Ed Huskins

Name and Location of Property: Hesby Edwards Mine, Mitchell County, N. C.

Contract Number: Idm-E 951

Date of Field Team Report: 10/31/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/6/56

Field Team Recommendation: No certification is recommended.

Comments:

1. Sufficient work has been done to indicate the pegmatite is not suitable for producing large quantities of strategic mica.

2. Expenditures -

Total approved	$3,553.00
Total cost	3,553.00
Gov't share of the cost	2,664.00
Value of production during operation	572.41

Recommendation:

I concur with the recommendation of the field team.

Donald R Irving
Donald R. Irving

cus.

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

RECEIVED NOV 2 1956 D.M.E.A.

October 31, 1956

Memorandum

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

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

Subject: Final Report, DMEA-4247, Idm-E951 (Mica)
Ed Huskins, Bakersville, North Carolina
Hesby Edwards Mine, Mitchell County, North Carolina

Enclosed are the original and three copies of the subject final report.

Certification is not recommended.

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
11-5-56
(date)

RECEIVED
NOV 2 1956
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA FIELD TEAM, REGION V

DMEA-4247, Idm-E951, HESBY EDWARDS MINE - Mica
Mitchell County, North Carolina

By

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

and

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

October 31, 1956

Reviewed by
DMEA OPERATING COMMITTEE
11-5-56
(Date)

EXPLORATION PROJECT

FINAL REPORT

On

DMEA-4247, Idm-E951, HESBY EDWARDS MINE - Mica

Operator: Ed Huskins, Route 3, Bakersville, North Carolina

Summary

An estimated 1100 pounds of "run-of-the-mine" block mica was recovered from 50 feet of shaft and 60 feet of drift in a pegmatite 4 to 7 feet thick. This contract completed the work started under DMEA-3825, Idm-E852. Because the exploration did not discover significant reserves, it is recommended that the mine not be certified as a discovery.

Introduction

The mine is 4.2 airline miles N. 40° W. of Spruce Pine, Mitchell County, North Carolina.

Work under the contract began June 1, 1956, and was completed satisfactorily on September 4, 1956. Work performed by Freeman under the previous contract consisted only of 18 ft of incline shaft at -60°. Mr. Ed Huskins sank the remaining 32 ft, timbered it very well with sawed oak to the 41-ft level, and installed a partitioned manway. From the 50-ft level a 7 ft drift was driven N. 30° W. and 53 ft was driven to the SW (36' S. 20° W., 17' S. 40° W.) all in pegmatite.

Mr. Huskins cooperated fully with the field examiners and conducted a safe, efficient operation.

Facilities include a tool house and powder magazine (constructed under DMEA-3825) and an exploder magazine (DMEA-4247). Equipment used consisted of a single-drum gasoline hoist and an air compressor with air rock drill and jackleg. No equipment was purchased by the government.

Geology

The surface exposures of the pegmatite indicate that it is about 5 ft thick and essentially concordant to the enclosing hornblende-biotite gneiss. It strikes roughly N. 10° E. over most of its 35-ft exposed length, but bends on the SW end, to strike N. 70° E. The dips are steep at the surface, ranging from 70° to 80° to the southeast.

The underground exposures indicate minor changes in strike but one major change in dip at the shaft bottom. From the shaft bottom northward the pegmatite strikes N. 30° W., while south of the shaft it strikes N. 20° E. to N. 40° E. The general dip is 60° to 65° SE, but a bulge in the dike at the shaft bottom changes the dip locally to the west (see sections on map).

Mineralogically the pegmatite changes from an unzoned plagioclase, quartz (disseminated), muscovite, biotite dike at the surface to a partically zoned pegmatite with some inclusions at the 50-ft level. Many quartz lenses, some up to 2 ft thick, were encountered in the southwest drift. At the 27-ft point a 1-ft zone of fine-grained gray granite occurs between the country rock and quartz core on the hanging wall side.

Muscovite

About 1100 pounds of "mine-run-block" ruby muscovite (some blocks up to 6" wide) was recovered. About 500 pounds of that amount came from the area of the last quartz lense encountered between the 27-ft point and the bulge in the pegmatite at the 40-ft point in the southwest drift.

The muscovite, although flat, hard, and easily split, contained some biotite staining. The larger books, however, do contain good strategic clear muscovite.

Sales

Sales to date consist of 65.63 pounds of trim (not known whether it is full or half-trim) for $572.41, and 128 pounds of punch @ $0.08/lb. for $10.24.

The average value is about $6.00/lb., which is considerably below the Spruce Pine, North Carolina depot average of $13.87/lb.

The percentage of sheet recovery from the estimated 1100 pounds of block is about 6%.

Reserves

No significant reserves of strategic muscovite were discovered by exploration. The bulk of the muscovite recovered came from a relatively confined zone that plunges steeply to the southeast. Some blocks recovered in the shaft were apparently in the same zone.

In both headings the pegmatite is barren of muscovite, but contains small crystals of biotite.

Recommendations

It is recommended that the Hesby Edwards mine not be certified as a discovery because of the small recovery and low indicated potential of "mine-run-block" muscovite.

Expenditures

(a)	Total approved	$3,553.00
(b)	Total cost of project	3,553.00
(c)	Government's share of cost	2,664.75
(d)	Government's share unexpended	none
(e)	Value of production	572.41
(f)	Royalty paid to date	29.13

October 31, 1956

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

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

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

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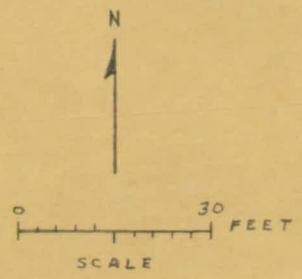
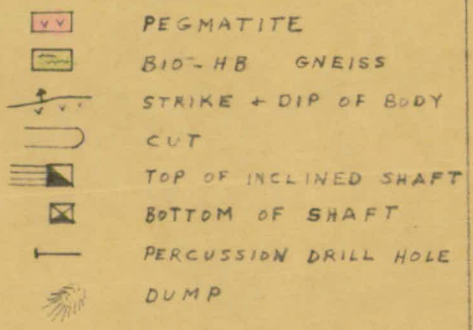
DMEA-4247, IDM-E 951 MICA

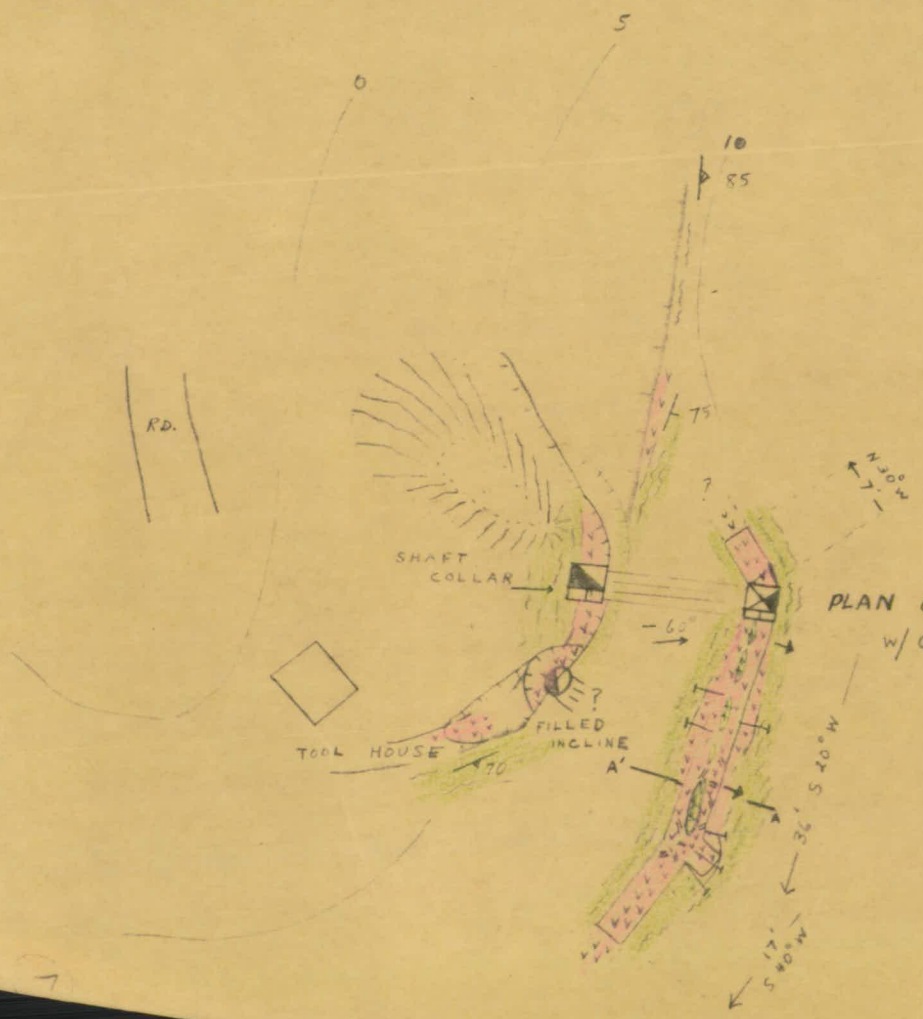
HESBY EDWARDS MINE

MITCHELL CO., N.C.

9-4-1956

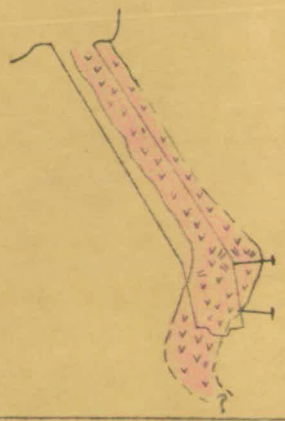




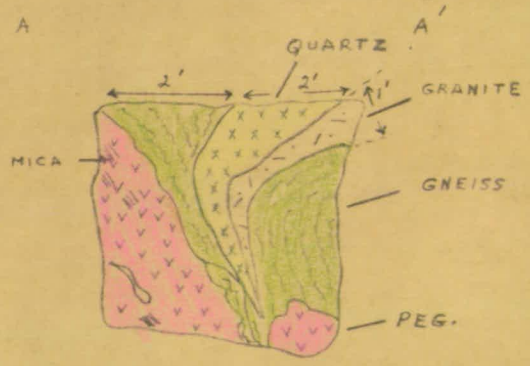


PLAN OF 50' LEVEL W/ GEOLOGY

CROSS SECTION THROUGH SHAFT



SKETCH OF FACE AT 27' POINT IN [redacted] DRIFT



NO SCALE

[10-24-56 ART]

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

RECEIVED
SEP 1 3 1956

September 10, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4247, Contract Idm-E951 - Final Report
Ed Huskins, Route 3, Bakersville, N. C.
Hesby Edwards Mine (mica), Mitchell County, North Carolina

Enclosed are the original and three copies of the Operator's final report on the subject project.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

RECEIVED
SEP 12 1956

Spruce Pine, North Carolina
September 5, 1956

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

Re: DMEA-4247, Idm-E 951 (Mica)
Edwards Mining Co., Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project June 1, 1956 and we completed work called for in the comtract on September 4, 1956.

We sat up equipment and sank 6 feet of shaft the first of June. Work was held up because we had to wait for the power company to complete installation of power, this was necessary because we had such heavy water we had to have power installed to pump the water out. In July we completed the additional 26' of shaft work recovering a small amount of good quality mica. Drift was driven 60 feet in August which completed the work called for in the contract.

We recovered approximately 1100 lbs. of mica.

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

Yours very truly,

Ed Huskins

Ed Huskins

E/j

RECEIVED
SEP 7 - 1956
U. ... ...rvey
Geologic Division
Knoxville, Tenn.

cis
ex. cyp

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

RECEIVED
SEP 12 1956

September 10, 1956

Memorandum

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

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

Subject: Docket No. DMEA-427, Contract Idm-8951 - Final Report
Ed Hankins, Route 3, Bakersville, N. C.
Hamby Edwards Mine (mica), Mitchell County, North Carolina

Enclosed are the original and three copies of the Operator's final report on the subject project.

Robert A. Laurence
Executive Officer

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

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

RECEIVED
SEP 12 1956

Spruce Pine, North Carolina
September 5, 1956

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

Re: DMEA-4247, Idm-E 951 (Mica)
Edwards Mining Co., Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project June 1, 1956 and we completed work called for in thw comtract on September 4, 1956.

We sat up equipment and sank 6 feet of shaft the first of June. Work was held up because we had to wait for the power company to complete installation of power, this was necessary because we had such heavy water we had to have power installed to pump the water out. In July we completed the additional 26' of shaft work recovering a small amount of good quality mica. Drift was driven 60 feet in August which completed the work called for in the contract.

We recovered approximately 1100 lbs. of mica.

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

Yours very truly,

Ed Huskins

Ed Huskins

R/j

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

RECEIVED
SEP 12 1956

September 10, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4247, Contract Idm-E951 - Final Report
Ed Huskins, Route 3, Bakersville, N. C.
Henry Edwards Mine (mica), Mitchell County, North Carolina

Enclosed are the original and three copies of the Operator's final report on the subject project.

Robert A. Lawrence
Executive Officer

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

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

RECEIVED

SEP 1 0 1956

Spruce Pine, North Carolina
September 5, 1956

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

Re: DMEA-4247, Idm-E 951 (Mica)
Edwards Mining Co., Mitchell Co., N.C.
Final Report

Dear Mr. Laurence:

We began work on the above project June 1, 1956 and we completed work called for in the comtract on September 4, 1956.

We sat up equipment and sank 6 feet of shaft the first of June. Work was held up because we had to wait for the power company to complete installation of power, this was necessary because we had such heavy water we had to have power installed to pump the water out. In July we completed the additional 26' of shaft work recovering a small amount of good quality mica. Drift was driven 60 feet in August which completed the work called for in the contract.

We recovered approximately 1100 lbs. of mica.

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

Yours very truly,

Ed Huskins

Ed Huskins

E/j

Docket Copy
Surname:
Anderson
Honby
Selfridge
GHJohnson

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

SEP - 7 1956

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

Subject: Docket No. DMEA-4247 - Mica
Ed Huskins
Mosby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-8951

Dear Mr. Laurence:

Reference is made to the Interim Report of August 20, 1956, on exploration progress at the subject mine.

We note that the Operator was advised to install a partitioned manway as soon as practicable. Since the Operator's Monthly Reports, MF-104s, have been paid for this work, and the contract requires it, the Operator must complete the partition before final settlement is made for the completed contract work.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GB)

Approved:

Frank D. Lamb
Member, Bureau of Mines (GB)

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

WCAnderson:gad 9/5/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.A.

RECEIVED
SEP 13 1956

DMEA-4247, Idm-E951, HESBY EDWARDS MINE
INTERIM REPORT

Operator: Ed Huskins, Route #3, Bakersville, N. C.

Location: 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, North Carolina

This contract has been completed satisfactorily without discovering significant reserves of strategic muscovite. Only 1100 pounds of "mine-run-block" ruby muscovite (mica) was recovered. In the last 26-feet advance about 500 pounds of block mica was recovered, some of which was up to 6 inches wide, flat and clear, but a large percentage was stained.

Work began June 1, 1956 (new work) and was completed September 4, 1956. It consisted of 32 feet of inclined 5' x 7' shaft and 60 feet of drift from the shaft bottom. The total depth (18 ft previous work, DMEA-3825, Idm-E852, plus 32 ft recent work) is 50 feet at a minus 60 to 65°. From the 50 foot level, 7 feet of drift was driven N 30° W, and 53 feet was driven to the SW. (36' S 20° W; 17' S 40°W from shaft). The drifts are 5' x 7' in the clear of timber.

All work was performed on the pegmatite. The shaft was cribbed solidly to the 41 foot level, and a separated, partioned manway was constructed to the shaft bottom. The drifts were stulled and lagged overhead where it was necessary.

Mr. Huskins, the present operator, who also was the foreman, performed the work satisfactorily and cooperated fully with the Field Examiners. He has been found to be one of the

foremost miners, safetywise, in the Spruce Pine area.

Certification will not be recommended on this contract.

Inspected: September 4, 1956

A. R. Taylor

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

z

ACTION ON INTE[illegible]
OR FINAL FIELD TEAM REPORT

Date 9-4

Referred to:

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

Note comments in report regarding:

1. Installation of manway. Contract requires 2-ring.
2. and MF-104s have been
3. paid by Field Team ???
4.

and take appropriate action.

- - - - - - - -

Action taken by Division: Letter to field advising that 2-compartment shaft must be completed before final settlement.

Robert E. Adams

RECEIVED
SEP - 3 1956

INTERIM REPORT

DMEA-4247, Idm-E951 (mica) HESBY EDWARDS MINE

OPERATOR: Ed Huskins, Route #3, Bakersville, N. C.

LOCATION: 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, N. C.

Drifting continues on this contract and now totals 34 feet; 7 feet have been driven N30°W, and 27 feet have been driven S20°W from the shaft bottom. Drifting has been halted to the northwest temporarily, and recent drift work has been confined to the southwest. In the present face the pegmatite is 2 to 4 feet thick, which includes a 2-foot barren quartz zone, separated by a biotite gneiss inclusion from a 1 to 2 foot feldspar-mica zone. In this drift test holes have been drilled in both walls at about 14 feet from the shaft. The holes are 3 feet long, and both intercepted country rock at 2 feet.

About 600 pounds of "mine-run" book mica has been recovered to date from the shaft and drifts. The muscovite books are thin and contain intergrowths of biotite, but the overall quality of the mica is good. Instructions were given for continuing the drift.

The Operator was advised to install a partitioned manway as soon as practicable. Progress on this contract is satisfactory.

L. E. Shirley

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

A. R. Taylor

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

August 20, 1956

RECEIVED
AUG 13 1956

INTERIM REPORT

DMEA-4247, Idm-E951 (mica) HESBY EDWARDS MINE

Operator: Ed Huskins, Route #3, Bakersville, N.C.

Location: 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, N.C.

Inclined shaft sinking has been completed on this contract and drifting is now underway from the bottom of the incline. A total of 10.5 feet of drift has been driven; 6 feet in a S 5° W direction and 4.5 feet N 5° E. The pegmatite is 4 to 6 feet in and near the bottom of the shaft. Contacts of the body with country rock are highly irregular and in large part disconcordant. Muscovite tends to be widely scattered throughout the pegmatite. Biotite and pyrite are abundant near the walls.

The Operator was advised to continue to drift in both directions along the strike of the pegmatite.

Mr. Robert A. Laurence, Executive Officer, DMEA, Region V, accompanied the Field Examiners on this visit to the property.

S. C. Bergman and D. H. Amos, Geologists
U. S. Geological Survey

z

RECEIVED
AUG - 1 1956

INTERIM REPORT

DMEA-4247, Idm-E951 (Mica) HESBY EDWARDS MINE

Operator: Ed Huskins, Route No. 3, Bakersville, North Carolina

Location: 4.2 airline miles N40°W of Spruce Pine, Mitchell County, North Carolina

Inclined shaft sinking is in progress on this contract and is now at 39 feet from the original starting point. Sinking completed under the new contract totals 24.5 feet and the present bottom is in pegmatite composed of feldspar, scattered quartz, biotite and small muscovite mica. The pegmatite has changed dip in the last 9 feet and is now near vertical. Instructions were given for sinking the remaining 7.5 feet vertically and upon completion turn-off on a drift level to the southwest. About 450 pounds of mine-run block mica has been produced from shaft work to date.

Timber work completed to date is in excellent condition. The inclined portion of the shaft has been cribbed solid from to within 9 feet of the bottom. The operator was advised to install a separated partition as soon as practicable.

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

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

July 25, 1956

INTERIM REPORT

DMEA-4247, Idm-E951(mica) HESBY EDWARDS MINE

Operator: Ed Huskins, R#3, Bakersville, N. C.

Location: 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, N.C.

Installation of electric powered pumping facilities has been completed and shaft sinking resumed. Progress since the last visit totals 5 feet.

Progress has been rather slow due to difficulties with pumping equipment.

The Operator was instructed to continue sinking on pegmatite.

Inspected: July 11, 1956

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

z

RECEIVED
JUL 2 - 1956

INTERIM REPORT

DMEA-4247, Idn-E951 (mica) HESBY EDWARDS Mine

Operator: Ed Huskins, R#3, Bakersville, North Carolina

Location: 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, N.C.

The Prospect has been shut down temporarily awaiting installation of electric power for pump. Shaft sinking should be resumed by next visit.

Inspected: June 20, 1956

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

S. C. Bergman, Geologist
Geological Survey

2

DOCKET COPY
Surname:
Anderson
Houk
Martin
Kiilsgaard
Dietrich

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

JUN 13 1956

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

Re: Docket No. DMEA-4247-mica
Ed Huskins
Hesby Edwards Mine
Mitchell County, North Carolina
Contract No. Idm-E951

Dear Mr. Laurence:

Transmitted herewith are two copies of the Consent to Lien in connection with the subject property, which belong to the two copies of the contract in the field. Five copies were transmitted to this office, three of which are retained.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (WB)

Approved:

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

Thor H. Kiilsgaard (WB)
Member, Geological Survey

Enclosures:2

WCAnderson:ms 6/12/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

R.C.

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

June 7, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4247, Contract Idm-E951 (Mica)
Ed Huskins, Route 3, Bakersville, North Carolina
Hesby Edwards Mine, Mitchell County, North Carolina

Transmitted are the original and two copies of the subject contract. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

Enclosures 3

P.S. Enclosed are five copies of Consent to Lien and Mining Lease.

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

June 7, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4247, Contract Idm-E951 (Mica)
Ed Huskins, Route 3, Bakersville, North Carolina
Hesby Edwards Mine, Mitchell County, North Carolina

Transmitted are the original and two copies of the subject contract. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

mg
Enclosures 3
cc - Operating Committee (3)
Mr. V. J. Lynch
Finance Office
Mr. L. E. Shirley
Files

P.S. Enclosed are five copies of Consent to Lien and Mining Lease.

INTERIM REPORT

DMEA-4247, Idm-E951 (mica) Hesby Edwards Mine

Operator: Ed Huskins, R#3, Bakersville, North Carolina

Location: 4.2 airline miles N 40° W of Spruce Pine, Mitchell County, N. C.

Operations under the new contract got underway May 24. At the time of this inspection new shaft totaled 6 feet. The pegmatite exposed is 4 feet thick. T he Operator was instructed to continue sinking on pegmatite. The shaft work should be completed by the next inspection.

Progress is satisfactory.

Inspected: June 5, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

S. C. Bergman

S. C. Bergman, Geologist
Geological Survey

z

DOCKET COPY
Surname:
Anderson
Hopkins
Chambers
Selfridge
Johnson

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

MAY 10 1956

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

Re: Docket No. DMEA-4247-mica
Ed Muskins
Mosby Edwards Mine
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, Annex II, Exhibit "A"(2 pages) and map of the Mosby Edwards Mine. Two extra copies of Annex I, Annex II, Exhibit "A" and the map are enclosed for the use of the Field Team.

Your attention is called to the fact that although the lease and Consent to Lien executed in May 1955, in connection with the contract with Paul Freeman(Idm-E852, DMEA-3825) were signed by Mr. Mosby Edwards and his wife, Cary, the lease and Consent to Lien executed in April, 1956, in connection with the contract with Ed Muskins were signed only by Mr. Edwards. If he still has a wife, please have her signature added to the enclosed latter documents, and attach the copies of the Consent to Lien to the copies of the contract and return lease to this office.

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, Annex II, Exhibit "A", and the map are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated April 16, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed.

Enclosures: 1#
Approved:

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (SLB)

Mr. Houk
Mr. Anderson
Admr. R. File

WCAnderson:ms 5/7/56
Copy to: Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061

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

MAY - 3 1956

Memorandum

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

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. DMEA-4247, Ed. Huskins (Mica)

Pursuant to your request on routing slip dated April 23, 1956, we have prepared the attached draft of contract.

Your attention is called to the fact that although the lease and Consent to Lien executed in May 1955 in connection with the contract with Paul Freeman (Contract No. IDM-E852, Docket No. DMEA-3825) were signed by Mr. Hesby Edwards and his wife, Cary, the lease and Consent to Lien executed in April 1956 in connection with the contract with Ed Huskins were signed only by Mr. Edwards. If he still has a wife, she should add her signature to the latter documents.

Robert P. Dwyer

Attachments

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

MAY - 3 1956

Memorandum

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

From: Associate Solicitor, Division of Mineral Resources

Subject: Docket No. BMSA-4247, Ed. Buckins (Miss)

Pursuant to your request on routing slip dated April 23, 1956, we have prepared the attached draft of contract.

Your attention is called to the fact that although the Lease and Consent to Lien executed in May 1955 in connection with the contract with Paul Freeman (Contract No. IBM-8852, Docket No. BMSA-3823) were signed by Mr. Rocky Edwards and his wife, Cory, the Lease and Consent to Lien executed in April 1954 in connection with the contract with Ed Buckins were signed only by Mr. Edwards. If he still has a wife, she should add her signature to the latter documents.

Robert P. Dwyer

Attachments

PIndritz/cmd
Copy to: Solicitor's Docket (2)
BMSA Docket
L. G. Houk (2)
R. P. Dwyer
P. Indritz
chron.

IN REPLY REFER TO:

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

RECEIVED
APR 17 1956

April 16, 1956

Re: DMEA 4247
Ed Huskins
Hesby Edwards Mine
Mitchell Co., N. C.
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 pegmatite on which work was begun by Paul Freeman under Contract Idm-E852 (DMEA 3825). Freeman stopped the work after completing 18 feet of a projected 50-foot shaft. Sixty feet of drifting was also approved. The total cost of the work was estimated to be $4,463.00.

The examiners' report of June 27, 1955, said, "The mica is ruby colored, hard and clear. Some of the books are cracked, curved and somewhat stained. There appears to be considerable mica of strategic quality in this deposit. Books up to 6 inches in diameter are exposed."

Freeman started work on September 6, 1955. On September 19, 1955, the examiners reported, "Incline shaft sinking is under way, and is now at 12 feet. All of the work, with the exception of a little muck in the bottom of the original cut, has been in pegmatite composed of feldspar, scattered quartz, minor muscovite, and considerable biotite mica. The body at this point is 4 to 5 feet thick."

Under date of October 3, 1955, the examiners reported, "Incline shaft sinking continues on this contract, and is now at 18 feet. . . . The pegmatite is reported to be 3 to 3.5 feet thick in the present bottom, and an estimated 500 pounds of block mica has been recovered to date from all work completed."

Later reports, January 3, 1956, and January 18, 1956, say no further work was done. The present applicant proposes to resume the work and to assume the liabilities incurred by Freeman.

The Field Team recommends approval of a contract providing for the same work and the same costs as provided in Idm-E852, the Freeman contract. Whether that means 50 feet of incline shaft in addition to the 18 feet Freeman sank or a total of 50 feet is not stated.

The Field Team also recommends termination of Contract Idm-E852.

I concur with the two recommendations.

N. E. Nelson

N. E. Nelson

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

RECEIVED
APR 16 1956

April 16, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4247 (mica)

Applicant: Ed. Huskins

Name and Location of Property: Hesby Edwards Mine, Mitchell Co., N. C.

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

Comments:

1. This mine was abandoned under DMEA 3825 after only one month's work.

2. Previous exploration plan (DMEA 3825 Idm-E 852) should be completed.

Recommendation:

If the applicant agrees to assume obligations of the previous DMEA contract and bear the costs of rehabilitation of the mine, it is recommended that an exploration contract similar to the one for DMEA 3825 be negotiated.

W. F. Dietrich

W. F. Dietrich

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

RECEIVED
APR 1 3 1956

April 10, 1956

Mr. Ed Huskins
Route # 3
Bakersville, N. C.

Dear Mr. Huskins:

Your application for aid in completing the work begun and abandoned by Paul Freeman at the Mesby Edwards Mine in Mitchell County, North Carolina has been forwarded to our Washington office in accordance with established procedure. No field examination will be required in this case. You will be advised by the Washington office when a decision is made.

Very truly yours,

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

RAL/am
cc:
Opr. Com-2
Lynch
Shirley
Files

April 12, 1956
Subject: DMEA-4247
Re: Exploration Assistance
Hesby Edwards Mine

Mr. Ed Huskins
Route 3
Bakersville, North Carolina

My dear Mr. Huskins:

The receipt of your application dated April 6, 1956, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4247 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

April 12, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA - 4247 Ed Huskins

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

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

RECEIVED
APR 13 1956

April 10, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application from Ed Huskins, Bakersville, N. C.
Hesby Edwards Mine, Mitchell County, N. C. (mica)

Enclosed are three copies of an application received today from Ed Huskins of Bakersville, N. C. The applicant proposes to complete the work begun by Paul Freeman under DMEA-3825, Idm-E852, and abandoned after only one months' work. Mr. Huskins was advised that he would have to assume the obligation for repayment of the money paid to Mr. Freeman, in the event of certification.

Mr. Huskins is competent to do the work, and has performed satisfactorily on other DMEA contracts. The Field Team recommends approval of a contract providing for the same work and the same costs as provided in Idm-E852. Further field examination is not necessary. Cost of pumping out the shaft and any other rehabilitation required to restore it to the condition it was in when abandoned by Freeman should be borne by the new Operator.

Termination of Idm-E852 is also requested. It is not considered practical to have it assigned to the new Operator, as registered mail sent to Mr. Freeman has been returned unclaimed and we do not know how to get in touch with him.

Robert A. Laurence

Robert A. Laurence

RECEIVED
APR 12 1956

Spruce Pine, North Carolina
April 3, 1956

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

Re: DMEA-3825, Paul Freeman

Dear Mr. Laurence:

Regarding the above contract, I would be willing to assume liability for the contract as it was originally set up, and for the amount of money which has been paid on the contract so far.

Your expeditious handling of this matter will be of great help to me, since I am anxious to begin work immediately.

Very truly yours,

Ed Huskins

Ed Huskins

H/b

RECEIVED
APR 16 1956
Geologic Division
Knoxville, Tenn.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
APR 12 1956

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

Not to be filled in by applicant

Docket No. DMEA-4247
Metal or Mineral Mica
Date Received 4-12-56
Estimated Cost $ no amount given
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: Ed Huskins
Route 3, Bakersville, N. C.

RECEIVED
APR 10 1956
Geologic Division
Knoxville, Tenn.

(*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 lease.
Also see DMEA-3825, Idm-E 852

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

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

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

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

(*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 DMEA-3825, Idm-E 852

(*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.

(*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 DMEA-3825.

(*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 April 6, 1956

Ed Huskins

Ed Huskins (Applicant)

By .....

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
APR 1 2 1956

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 6th day of APRIL, 1956, 19~~XX~~

between Hesby Edwards

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Ed Huskins

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

WITNESSETH, That the part 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:

The Hesby Edwards Mine located in Snow Creek Township, Mitchell County, N. C., said mine located on lands now owned by Hesby Edwards and also known as the Will Norman place; includes old works and 500' working space from site of proposed exploration shaft. ~~in each direction~~.

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) gross sales 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 comm Expires 8/17/57

Hesby Edwards (Seal)
Mrs Cary Edwards (Seal)
_____ (Seal)