FILE 4248

DOCKET TAB

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 4-12-56

2. CONTRACT E-1016 DATE 10-5-56

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 C

RECEIVED
OCT 2 2 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*
4248	Mica	1016	Mitchell	North Carolina

It is agreed OCT 5 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Grover Grindstaff

whose mailing address is Route #3
Bakersville, 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 Nov. 15 1956, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within five 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 $3,388.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $2,541.00, in accordance with the provisions of Articles 4 and 5.

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

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

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

(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.*—

Appd. Sol. Off."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

GROVER GRINDSTAFF
(Operator)

By Grover Grindstaff

By O. Mitten Dorf

Administrator, Defense Minerals Exploration Administration

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

.....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE: 1956—O-383069

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OCT 2 2 1956

EXPLORATION PROJECT CONTRACT
GROVER GRINDSTAFF
DOCKET NO. DMEA-4248

ANNEX I

The land referred to in Article 2 of the Contract was leased to the Operator by John Phillips in an instrument dated April 6, 1956, for a period of five years, renewable, and is described as follows:

> Beginning on an iron stake at the center of the Grover Prospect which is located approximately 600 feet North to a Hickory stump which is a corner in the property line between John Phillips and Paul and Gudger Fortner, as shown on deed recorded in Book No. 113, Page 68, in Register of Deeds Office, Bakersville, N. C.; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' store at Wing, N. C.
>
> The land is about 0.63 airline miles N 30° W of Wing, on the southeastern slope of Big Ridge at the southern extremity of Burns Mountain (Micaville Quadrangle, TVA Ed. 1934, 1:24,000).

EXPLORATION PROJECT CONTRACT
GROVER GRINDSTAFF
DOCKET NO. DMEA-4248

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OCT 22 1956

EXHIBIT A

The approximate location of the work is shown on the attached map entitled "Grover Prospect, Mitchell County, N. C. DMEA-4248 (Mica)".

The work is divided into two stages as hereinafter described. The Operator shall perform the work in Stage I and shall perform as much of the work in Stage II as the Government approves in writing.

Stage I

Excavate a trench along the strike of the pegmatite, having approximate dimensions of 99 feet by 15 feet by 10 feet but not exceeding 550 cubic yards of excavation, to establish strike length continuity.

Stage II

1. Bulldoze an access road having approximate dimensions of 400 feet by 12 feet but not exceeding 530 cubic yards of excavation.

2. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall be made from 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.

3. Drive 100 feet of adit drift and/or crosscut having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

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

All work shall be timbered as necessary.

Fixed Unit Costs

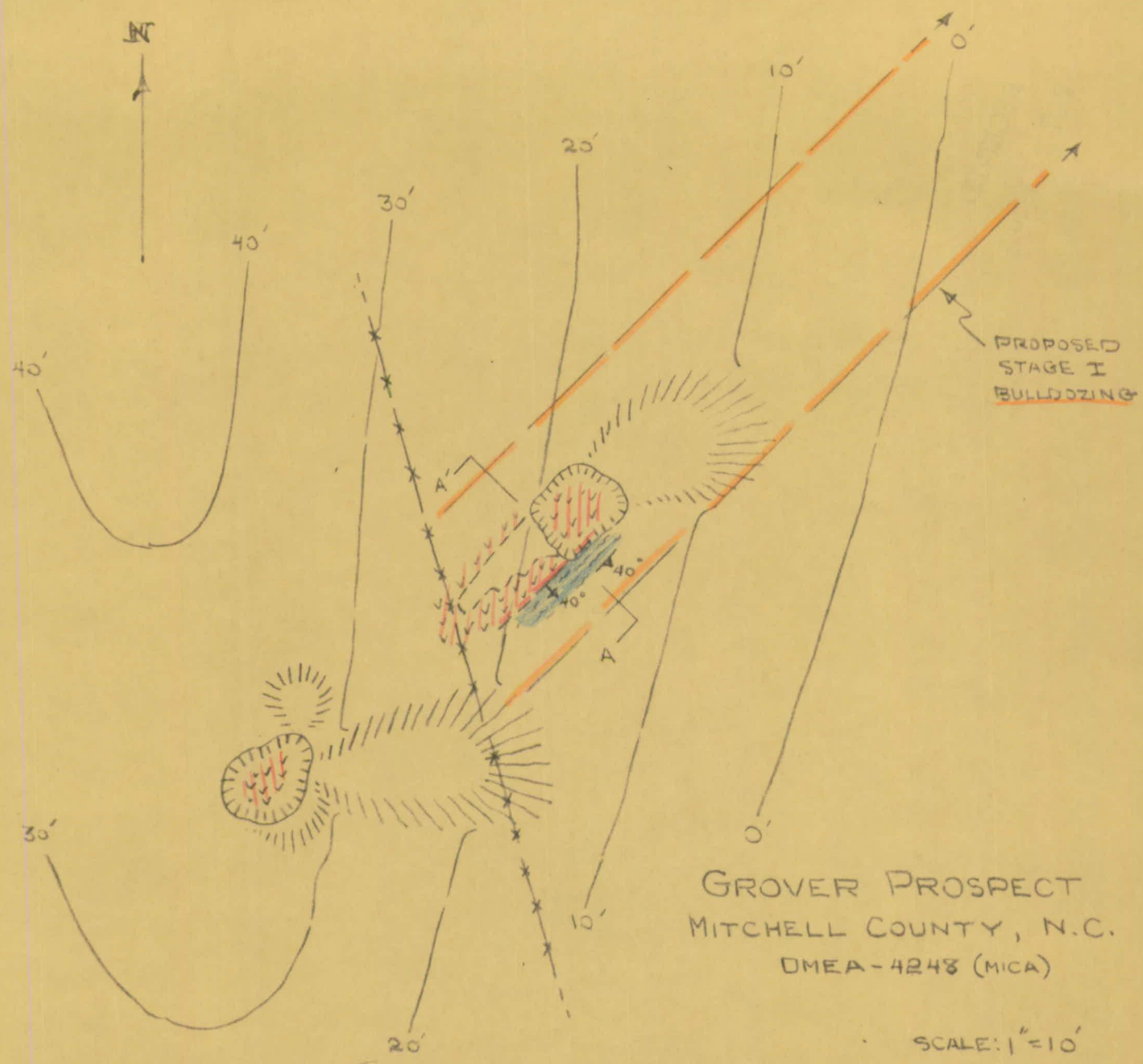
Stage I

1. Excavate trench - 550 cubic yards @ $0.30/cu. yd.		$ 165.00

Stage II

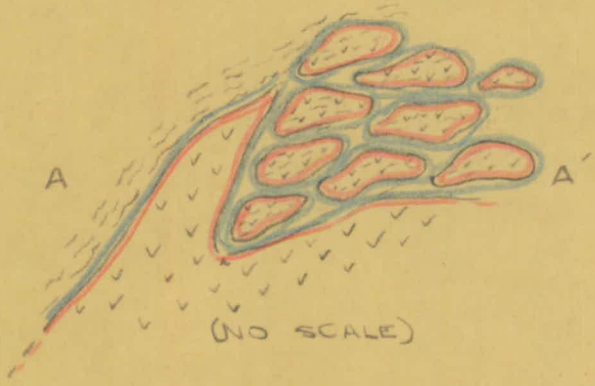
1. Excavate access road - 530 cubic yards @ $0.20/cu. yd.		106.00
2. Construct:		
Toolhouse	$76.00 1/	
Powder magazine	26.00 1/	
Exploder magazine	15.00 1/	117.00
3. Drive 100 feet of drift and/or crosscut @ $30.00/ft.		3,000.00
Estimated Total Cost of Project		$3,388.00
Government Participation @ 75%		$2,541.00

1/ The completed work constitutes the work.



GROVER PROSPECT
MITCHELL COUNTY, N.C.
DMEA-4248 (MICA)

SCALE: 1" = 10'



LEGEND

- PEGMATITE
- MICA GNEISS AND SCHIST
- PITS AND TRENCHES
- DUMP
- FENCE

6/56

RECEIVED
OCT 22 1956

RECEIVED
JUL 9 - 1956

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Grover Grindstaff
Docket No. DMEA- 4248
Contract No. Idm-E
Contract Date

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED
OCT 22 1956

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows: 2/ Beginning on an iron stake at the center of the Grover Prospect which is located approximately 600 feet North to a Hickory stump which is a corner in the property line between John Phillips and Paul and Gudger Fortner, as shown on deed recorded in Book No. 113, Page 68, in Register of Deeds Office, Bakersville, N. C.; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' store at Wing, N. C. (The land covered by the above description is identical with the land described in the lease dated April 6, 1956.),
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;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

6. Consents to all amendments (including an agreement of termination) and assignments of the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

John P. Kellogg [Seal] Spruce Pine, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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]

Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4248

DO NOT DETACH THIS SLIP

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

This document has been recorded as

Exploration

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

Cys. BM, GS, Region V

Routing Slip

To:	600	Date	4/13/56
To:	Mr. Hopkins	Date	4-13-56
To:	Oper Comm	Date	4-23-56
To:	F.E. Johnson	Date	4-25-56
To:	CJM	Date	4-25-56
To:	Oper Comm	Date	7-16-56
To:	F.E. Johnson	Date	7-16-56
To:	CJM	Date	7-16-56
To:	Oper Comm	Date	9-12-56
To:	Mr Johnson	Date	9-12-56
To:	M+F	Date	9-13-56
To:	Oper Comm	Date	10-1-56
To:	Admin.	Date	10-3-56
To:	M+F	Date	10-24-56
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/6	Anderson	600
5/7	Houk	600
5/7	Chambers	800
5/8	Selbridge	120
"	Johnson	110
"	Mittendorf	100
5/9	C	220
		225

600

MAY - 8 1957

Mr. Grover Grindstaff
Route 3
Bakersville, North Carolina

Re: Docket No. DMEA-4248-Mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina
Contract No. Idm-E1016

Dear Mr. Grindstaff:

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

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 5/3/57
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
5/6	Anderson	600
5/7	Houk	600
5-7	Chambers	800
5/8	Selfridge	120
"	Johnson	110
"	Mittendorf	100
		220

600

MAY - 8 1957

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4248-Mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina
Contract No. Idm-E1016

Dear Mr. Phillips:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 5/6/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosure

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/6	Anderson	600
5/7	[illegible]	600

600

May 2, 1957

Project Summary Report

By: Walter C. Anderson, Nonmetallic Minerals Division

1. Docket No. DMEA-4248-Mica
Contract No. Idm-E1016
Grover Prospect
Mitchell County, North Carolina

Application: Form MF-103(April, 1952) received April 12, 1956.

Work Proposed by Applicant:

20 hours bulldozing @ $10.00/hr.	$200.00
60 feet of shaft @ $50.00/ft.	3,000.00
80 feet of drift @ $35.00/ft.	2,800.00
Total amount requested	$6,000.00

Operator: Grover Grindstaff
Route 3, Bakersville, North Carolina

Operator's Property Rights: Five year mining lease on the John Phillip's property consisting of 5 plus acres, dated April 6, 1956. Consent to Lien and Subordination Agreement, undated.

2. Contract: Form MF-200A(April, 1956) dated October 5, 1956.

Work Authorized:

Stage I	
Excavate trench - 550 Cubic Yards @ $0.30/c.yd.	$165.00
Stage II	
Excavate access road - 530 Cubic Yards @ $0.20/c.yd	106.00
Construction- Toolhouse, powder and Exploder magazine	117.00
100 feet of drift and/or crosscut @ $30.00/ft.	3,000.00
Estimated total cost of project	$3,388.00
Government participation @ 75%	$2,541.00

Amendments: None.

Work Completed:

Stage I	
347.2 Cubic Yards of trench excavation @ $0.30/c.yd	104.16
Total accepted cost	$104.16
Government participation @ 75%	$78.12

8623

Work began October 22, 1956 and was terminated by letter of November 2, 1956, Field Team to Operator.
Field Team Fianl Report received December 7, 1956.
Operator's Final Report dated November 5, 1956.
No equipment purchased under contract.

3. Audit: Report of Review issued January 24, 1957.

Total billed by Operator	$165.00
Exception, for excavation not performed	60.84
Total accepted cost	$104.16
Government participation @ 75%	$ 78.12

4. Certification of Discovery: None issued.
Value of production: None.

5. Comments:
How conducted: All of the work in which the Government participated was acceptable.
Operation: Only a bulldozer cut.
Engineering: Reporting by Operator is accepted.

Geologic Premise: Bulldozing proved that the prospect did not warrant further exploration, since only a shallow, elliptical-shaped pod with no extent was exposed.

Geologic Criteria upon which work was based:

1. Pegmatite: Small irregular pillow-shaped blobs of partially pegamtized material, conformably to disconformably enclosed in weathered mica schist.

2. Mica: Clear green, flat, about 3 inches across, and free from mineral intergrowths.

3. Good indicated mica potential, but continuity of structure is obscure, therefore preliminary bulldozing is proposed under 2 stage program.

Geologic Criteria developed during project:

1. Pegmatite: Shallow elliptical pod with no extent, composed of fine-grained kaolinized plagioclase, small quartz masses and small mica enclosed in weathered micaceous schist.

2. Mica: Most is badly stained 3 inch crystals, some green, flat and wavy, 2 to 3 inches wide, generally clear but disseminated in too small a zone.

Future Possibilities: None, no further exploration justified.

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

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:rsi 5/2/57
Copy to: Admr. R. File
Mr. Houk

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 16 1957

DATE	INITIALS	CODE
1-16	C	220
		225

January 15, 1957
Re: DMEA 4248 Idm-E1016
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina
$3,388.00 - 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 applicant was awarded a contract approving the expenditure of $3,388.00 for the exploration of a pegmatite.

After $165.00 had been spent, it was demonstrated to the satisfaction of the examiners and the Operator that the apparent strategic mica-bearing potential of the pegmatite is too low to warrant exploitation.

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

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

December 21, 1956

Memorandum

To: Jay L. Chambers, Chief Contract Administration and Audit Division

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

Subject: Docket No. DMEA-4248, Idm-E1016, Grover Grindstaff- (mica)
Grower Prospect, Mitchell County, N.C.

An error was made in payment of the final voucher submitted by the Operator of the subject contract.

Dozer trenching under Stage I of the contract amounted to 347.2 cubic yards and the Operator should have been paid $78.12 instead of $123.75.

We requested a refund and have received a check from the Operator in the amount of $45.63 for the overpayment.

Thank you for calling our attention to this error.

V. J. Lynch

VJL/zm
cc
Lynch
Files

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

WASHINGTON 25, D. C.

VJL/zm
cc:
Finance Officer
Oper. Com-2
Lynch
Shirley
Files

RECEIVED
DEC 20 1956
D.M.E.A.

December 18, 1956

Mr. Grover Grindstaff
Route # 3
Bakersville, North Carolina

Re: DMEA-4248, Idm-E1016 (mica)
Grover Grindstaff
Grover Prospect, Mitchell County, N.C.

Dear Mr. Grindstaff:

An error was made in payment of the final voucher of the subject contract. On the final voucher submitted in October, you stated that a trench 125 feet long, 15 feet wide and 10 feet deep, had been excavated and claimed the maximum amount allowed by the contract, which is $165.00 for 550 cubic yards at 30¢ per cu. yd. The Government's share was $123.75, and this amount was paid.

The Field Examiners measured the trench and found it to be 125-feet long, 15 feet wide and averaged 5 feet in depth. This would make a total of 347 cubic yards excavated, which at 30¢ a cubic yard would be $104.16 or $78.12 as the Government's share.

The over payment is therefore $45.63. In order to close our account on this contract it would be appreciated if you will send us a check, payable to Defense Minerals Exploration Administration in the amount of $45.63.

Very truly yours,

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

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

December 14, 1956

RECEIVED

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4248 (mica)

Applicant: Grover Grindstaff

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

Contract Number: Idm-E 1016

Date of Field Team Report: 12/5/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 12/10/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. Stage I bulldozing was completed and indicated that the pegmatite was a shallow elliptical-shaped pod with no appreciable extent.
2. The fine-grained pegmatite observed exhibits a poor environment for the occurrence of large amounts of muscovite.
3. Expenditures -

Total approved	$3,388.00
Total cost	165.00
Gov't. share of the cost	123.75
Value of production during operation	None

Recommendation:

I concur with the recommendation of the field team that certification be denied.

W. F. Dietrich

W. F. Dietrich

Talbert

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

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

12/1956

Re: Docket No. DMEA-4248
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina
Contract No. Idm-E1016

Dear Mr. Laurence:

A review of the files pertaining to the referenced project, preparatory to the issuance of a Report of Review in lieu of a final audit, has disclosed a discrepancy between the work claimed by the Operator and that reported by the Field Team.

Both the Field Team's Interim Report of October 30, 1956, and Final Report of December 4, 1956, state the size of the trench excavated under Stage I of the contract as being 125 feet long, 15 feet wide, and an average of 5 feet deep. This indicates that 347.2 cubic yards were excavated, which at the contract's fixed unit cost of $.30 a cubic yard would amount to $104.16 with the Government's 75% contribution properly being $78.12.

The Operator's narrative for the month of October, 1956, however, states the size of the trench as being 125 feet long, 15 feet wide, and 10 deep, indicating excavation of over 694 cubic yards. The MF-104 claimed the maximum allowed by the contract for this item of work, that is $165.00 for 550 cubic yards at $.30 a cubic yard. The Field Team approved the costs of $165.00 and the Operator was paid $123.75 as the Government's 75% contribution.

Inasmuch as the records as they now stand indicate that the Operator has been overpaid in the amount of $45.63, an explanation prior to the issuance of the Report of Review would be appreciated.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
December 12, 1956

Copy to: Docket
Admr. Reading File
Mrs. Helen Miller
Mr. Chambers
Mr. Houk
Mr. Talbert

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT

Date 12-11

Referred to:

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

Note comments in report regarding:

1. Field Team reports excavation
of 347.2 cu.yds., whereas
2. Ofr. narrative claimed 699
cu. yds. Ofr. claim for
3. contract maximum of 550
cu.yds. was approved and
4. paid by Field Team. Letter
being written to Field Team.

and take appropriate action.

- - - - - - - -

Talbert
12/02/56

Action taken by Division

Robert E. Adams

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

WASHINGTON 25, D.C.

RECEIVED DEC 1956 D.M.E.A.

December 5, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Field Team Report - Idm-E1016, DMEA-4248 (mica) Grover Grindstaff, Bakersville, N.C.

Transmitted are four copies of the subject report.

Work was stopped on this contract after the bulldozing was completed under Stage I, due to the poor quality of the muscovite and the zone was too small to be worked economically.

V. J. Lynch

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

Helmuth Wedow

Helmuth Wedow, Geologist
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
12-10-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

Received
DEC 17 1956
DMEA

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION V

On

DMEA--4248, Idm-E1016 (mica) GROVER PROSPECT
Mitchell County, North Carolina

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
12-10-56
(date)

December 4, 1956

FINAL REPORT
DMEA FIELD TEAM, REGION V

DMEA-4248, Idm-E1016, GROVER PROSPECT
Mica- Mitchell County, North Carolina

Operator: Mr. Grover Grindstaff, Route #3, Bakersville, N. C.

Summary

After Stage I bulldozing was completed, Stage II drifting was not authorized because the pegmatite appeared to be a shallow, elliptical-shaped pod with no appreciable extent. Certification is not recommended.

Introduction

Work, consisting of Stage I trenching began October 22, 1956, and was completed by the inspection October 30, 1956.

No facilities were constructed and no equipment was purchased by the Government.

The prospect is 0.63 airline miles N 10° W from Wing, Mitchell County, N.C., on the southeastern slope of Big Ridge near Paul Fortner's store. (Micaville, N.C. Quad. TVA., 1934,1/24,000).

Geology

A kaolinized elliptical-shaped pegmatite that appears to be a shallow pod is exposed in a trench which trends N 50° E. The trench is 125 feet long, 15 feet wide, and an average of 5 feet deep in soft, weathered material.

About 45 feet of irregular, undulating, sill-like pegmatite (probably a shallow ellipitical pod with 10 ft maximum thickness) strikes about N 50° E and dips 30° to 45° SE with an apparent plunge of 15° SW.

The body is composed essentially of fine-grained kaolinized plagioclase with small quartz masses and small muscovite enclosed in weathered brown micaceous schist. Two small zones of muscovite in association with larger crystals of feldspar and quartz are exposed, one on the NE end and one on the SW upslope end.

The muscovite observed on the SW end is green, wavy, and badly stained in 3-inch crystals, while that on the NE end near the

footwall contact is green, flat and wavy, 2 to 3 inches wide and generally clear. The clear muscovite, however, is disseminated, and in too small a zone to be worked economically.

Conclusions

No further exploration is justified. Any level work done would not develop enough back for safety or reserves. Furthermore, the fine-grained pegmatite exhibits a poor environment for the occurrence of large amounts of muscovite. It is recommended that the prospect not be certified as a discovery.

Expenditures:

(a)	Total Approved.....	$3388.00
(b)	Total cost under contract...	165.00
(c)	Government's share of cost...	123.75
(d)	Government's share unexpended	2417.25
(e)	Value of production.....	None

Final Examination: October 30, 1956

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

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

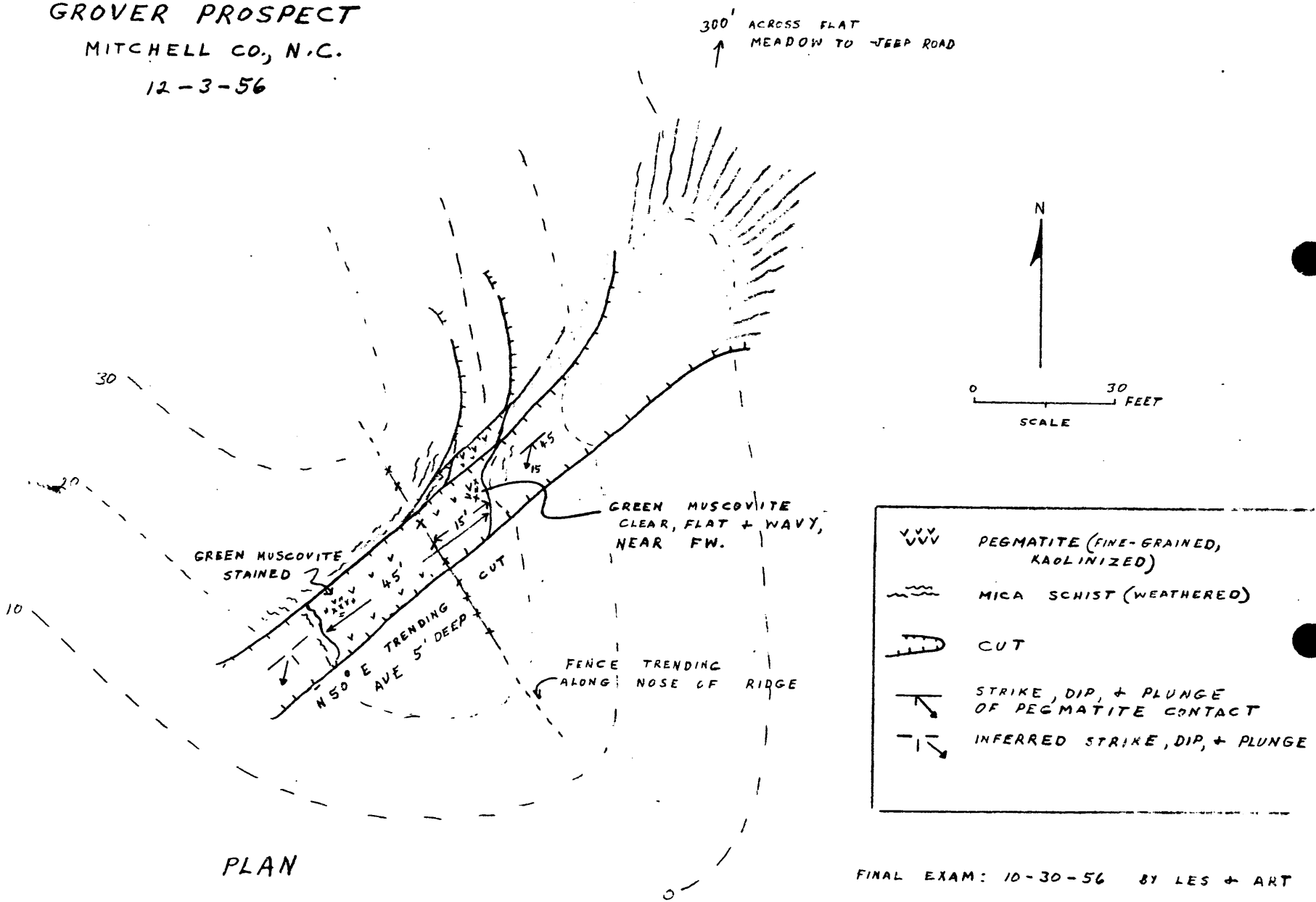
z

DMEA - 4248, IDM-E 1016 MICA

GROVER PROSPECT

MITCHELL CO., N.C.

12-3-56



PLAN

FINAL EXAM: 10-30-56 BY LES + ART

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~ ROOM 1100 CSB BLDG.
KNOXVILLE 2, TENN.

RECEIVED NOV 5 1956 D.M.E.A.

November 2, 1956

Mr. Grover Grindstaff
Route # 3
Bakersville, North Carolina

Re: DMEA-4248, Idm-E1016-Mica
Grover Grindstaff Prospect
Mitchell County, North Carolina

Dear Mr. Grindstaff:

After examination of the excavation made under Stage I of this contract, our Field Examiners, Mr. Shirley and Mr. Taylor, report that no further work can be justified. This confirms the instructions they gave you last Tuesday, October 30. Stage II will not be approved.

Therefore, this contract should be considered terminated at the completion of Stage I, effective October 31. Please submit your voucher and final report at your earliest convenience.

Very truly yours,

Robert A. Laurence

RAL/mm
cc
Opr. Com.-3
Finance Office
Shirley
Lynch
Files

ACTION ON INTERIM
OR FINAL FIELD PLAN REPORT

Date 11-9

Referred to:

1. ~~Mr. Mitchell~~
2. ~~Mr. Johnson~~
3. ~~Mr. Graves~~
4. ~~Docket Control Mails and Files~~
5. ~~Alon Multiple~~ Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Recommend term. - mutin. end of Stage I
2.
3.
4. (a) Termination not necessary per 2nd par. of Ept. A. See ltr. 11/2/56 from G.O. to Operator.
(b) Extension for about of Stage I maximum

and take appropriate action. Talbert 11/9/56

- - - - - - - -

Action taken by Division:

Terminated by P. T. Hetes

Robert L. Adams

INTERIM REPORT

DMEA-4248, Idm-ED16 (mica) GROVER PROSPECT

Operator: Grover Grindstaff, Route No. 3, Bakersville, North Carolina
Location: 0.63 airline miles N10°W from Wing, Mitchell County, North Carolina

The starting date on this contract is October 25, 1956. Stage I, consisting of trench excavation has been completed. The trench trends N50°E and is 125 feet long by 15 feet wide by an average depth of 5 feet. About 45 feet of irregular pegmatite has been exposed in the trench. The body strikes about N50°E, dips 30° to 45° SE and plunges about 15°SW. The body as now exposed appears to be an elliptical-shaped pod with no appreciable extent and does not warrant any additional exploration. At the contacts with country rock there is an extremely fine grained granitic zone followed by a mixture of feldspar, small quartz and green muscovite mica. Mica on the southwest end is badly stained, but is clear in a quartz-feldspar-mica occurrence on the northeast end.

The Field Examiners recommend that this contract be terminated with the completion of Stage I and that Stage II not be authorized.

L. E. Shirley

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

A. R. Taylor

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

October 30, 1956

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

RECEIVED
OCT 22 1956

October 19, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E1016, DMEA-4248 (mica)
Grover Grindstaff, R#3, Bakersville, N.C.

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

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

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

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

DOCKET COPY
Surname:

Lopshire
Anderson
Houk
Chandler
Selfridge
Mathewson

OCT 5 1956

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

Re: Docket No. DMEA-4248-mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I (1 page), Exhibit "A" (2 pages), and map of the Grover Prospect. Two extra copies of Annex I, Exhibit "A" and the map are enclosed for the use of the Field Team. Also enclosed are seven copies of a new Consent to Lien containing an amended legal description of the property. Please have lessor execute these and attach to the contract before presenting it to the operator.

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

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

Copies of memoranda dated July 17 and 18, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Approved:

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

Thor H. Kiilsgaard
Member, Geological Survey (GLB)

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GLB)

Enclosures: 19

WCAnderson:ms 9/28/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

R.C.S.

EXPLORATION PROJECT CONTRACT
GROVER GRINDSTAFF
DOCKET NO. DMEA-4248

EXHIBIT A

Description of the Work

The approximate location of the work is shown on the attached map entitled "Grover Prospect, Mitchell County, N. C. DMEA-4248 (Mica)".

The work is divided into two stages as hereinafter described. The Operator shall perform the work in Stage I and shall perform as much of the work in Stage II as the Government approves in writing.

Stage I

Excavate a trench along the strike of the pegmatite, having approximate dimensions of 99 feet by 15 feet by 10 feet but not exceeding 550 cubic yards of excavation, to establish strike length continuity.

Stage II

1. Excavate an access road having approximate dimensions of 400 feet by 12 feet ~~by 3 feet~~ but not exceeding 530 cubic yards of excavation.

2. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse may be unfloored; shall be made from 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.

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

RECEIVED
SEP 19 1956

September 17, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4248 (Mica)
Grover Grindstaff, Bakersville, North Carolina
Grover Prospect, Mitchell County, North Carolina

Reference is made to your letter of September 13. We are at a loss to explain the failure to answer your letter of July 16; evidently it got mislaid and overlooked. We sincerely regret the long delay.

The enclosed copy of the sketch map shows the location of the stake. If the bulldozing is done, the stake will be moved, but the land description submitted by the Applicant on July 31 ties it to a recorded corner, so it could be re-set later, if desired.

The leased area is a 500-foot square, centering on the stake; thus, its borders would be 18 to 21 inches beyond the edge of the 1" = 10' scale map.

Possibly the map should have included more area, as the proposed 100 feet of bulldozer trench would extend quite a way beyond the edge of the map area. If the pegmatite has sufficient continuity in that direction, an adit can be started well down the hill. The "zero" altitude is an arbitrary datum; actually the hill descends at least 50 feet more in that direction. The adit could be slightly inclined if desired, but we doubt that the added expense involved in an inclined shaft would be justified. If the bulldozing does not show sufficient continuity of the pegmatite, then no Stage II work would be done.

Mr. Bergman discussed this proposal with Mr. Houk when he was in Washington last week.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

RECEIVED
SEP 1 9 1956

September 17, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4248 (Mica)
Grover Grindstaff, Bakersville, North Carolina
Grover Prospect, Mitchell County, North Carolina

Reference is made to your letter of September 13. We are at a loss to explain the failure to answer your letter of July 16; evidently it got mislaid and overlooked. We sincerely regret the long delay.

The enclosed copy of the sketch map shows the location of the stake. If the bulldozing is done, the stake will be moved, but the land description submitted by the Applicant on July 31 ties it to a recorded corner, so it could be re-set later, if desired.

The leased area is a 500-foot square, centering on the stake; thus, its borders would be 18 to 21 inches beyond the edge of the 1" = 10' scale map.

Possibly the map should have included more area, as the proposed 100 feet of bulldozer trench would extend quite a way beyond the edge of the map area. If the pegmatite has sufficient continuity in that direction, an adit can be started well down the hill. The "zero" altitude is an arbitrary datum; actually the hill descends at least 50 feet more in that direction. The adit could be slightly inclined if desired, but we doubt that the added expense involved in an inclined shaft would be justified. If the bulldozing does not show sufficient continuity of the pegmatite, then no Stage II work would be done.

Mr. Bergman discussed this proposal with Mr. Houk when he was in Washington last week.

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

Robert A. Laurence
Executive Officer

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

RECEIVED

SEP 1 0 1956

September 17, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4248 (Mica)
Grover Grindstaff, Bakersville, North Carolina
Grover Prospect, Mitchell County, North Carolina

Reference is made to your letter of September 13. We are at a loss to explain the failure to answer your letter of July 16; evidently it got mislaid and overlooked. We sincerely regret the long delay.

The enclosed copy of the sketch map shows the location of the stake. If the bulldozing is done, the stake will be moved, but the land description submitted by the Applicant on July 31 ties it to a recorded corner, so it could be re-set later, if desired.

The leased area is a 500-foot square, centering on the stake; thus, its borders would be 18 to 21 inches beyond the edge of the 1" = 10' scale map.

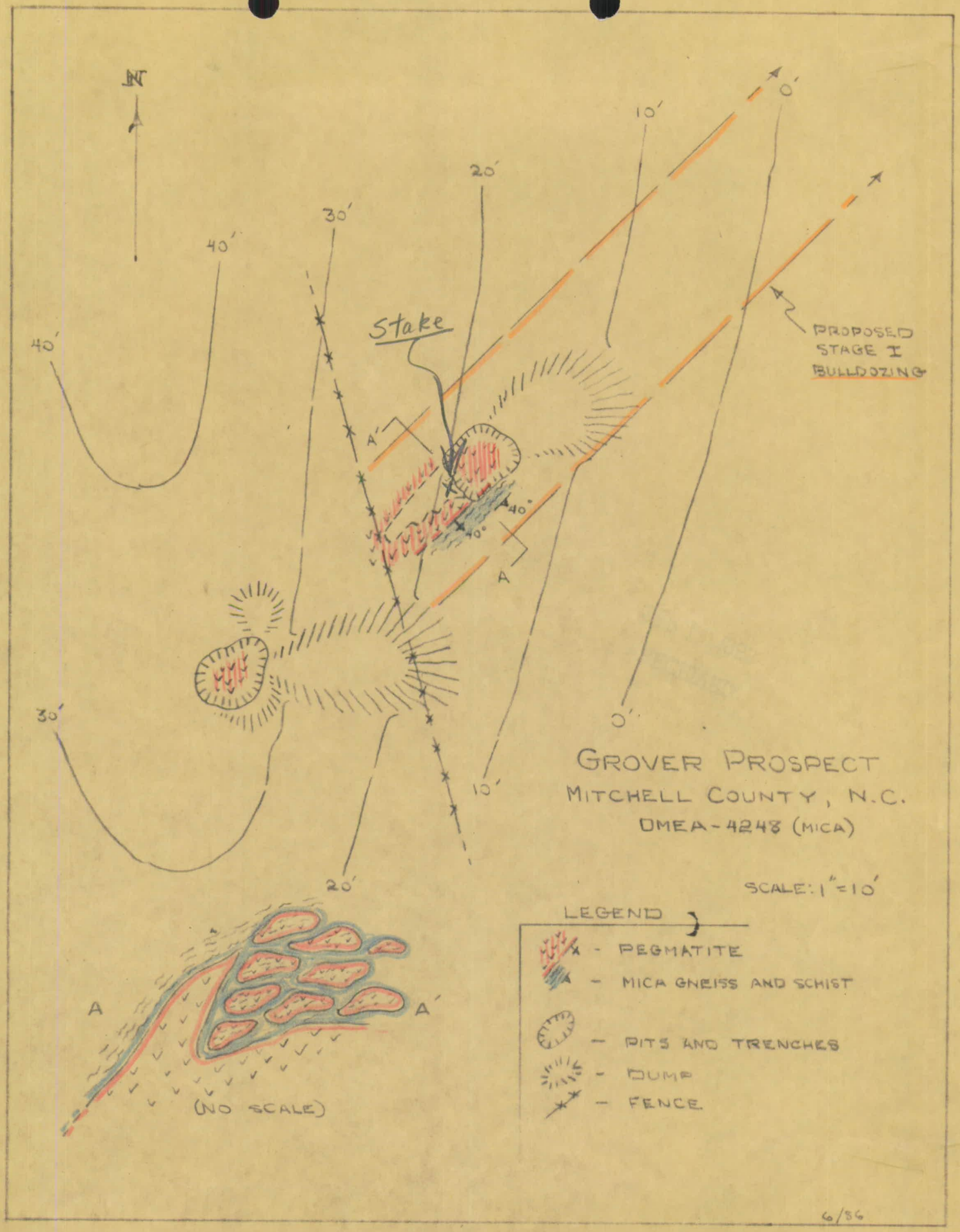
Possibly the map should have included more area, as the proposed 100 feet of bulldozer trench would extend quite a way beyond the edge of the map area. If the pegmatite has sufficient continuity in that direction, an adit can be started well down the hill. The "zero" altitude is an arbitrary datum; actually the hill descends at least 50 feet more in that direction. The adit could be slightly inclined if desired, but we doubt that the added expense involved in an inclined shaft would be justified. If the bulldozing does not show sufficient continuity of the pegmatite, then no Stage II work would be done.

Mr. Bergman discussed this proposal with Mr. Houk when he was in Washington last week.

Robert A. Laurence
Executive Officer

Mr. A. Beck for V. J. Lynch

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


N
40'
40'
30'
20'
10'
0'
Stake
PROPOSED STAGE I BULLDOZING
A'
A
40°
40°
30'
20'
10'
0'
GROVER PROSPECT
MITCHELL COUNTY, N.C.
DMEA-4248 (MICA)
SCALE: 1" = 10'
LEGEND
- PEGMATITE
- MICA GNEISS AND SCHIST
- PITS AND TRENCHES
- DUMP
- FENCE
A
A'
(NO SCALE)
6/86

17

RECEIVED
SEP 19 1956

DOCKET COPY
Surname:

Hpk
Houk
Selfridge
FEJohnson

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

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

Re: Docket No. DMEA-4248-mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to our letter dated July 16, 1956, on the subject property in which we requested additional map data and also asked for your comments on an alternate proposal. To date we have not had a reply to our request.

Kindly reply to our letter at your earliest convenience so that we may continue processing the subject application.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

JHopkins:ms 9/11/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

Approved:

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

Thor H. Kiilsgaard (THK)
Member, Geological Survey

A.G.S.

RECEIVED
AUG - 6 1956

August 3, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Amended Legal Descriptions of Properties

Enclosed are four copies each of letters from the Applicants, providing an amended legal description and tie-in from the leased area to a recorded property corner on each of the following:

DMEA-4237, (mica) Ed Buskins and F. Gage

DMEA-4239, (mica) John Phillips

DMEA-4248, (mica) Grover Grindstaff

DMEA-4332 (mica) John Phillips

DMEA-4351 (mica) John Phillips

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

V. J. Lynch, Member
Bureau of Mines

RAL/mm
cc:
Lynch
Shirley

RECEIVED
AUG - 6 1956

Spruce Pine, N. C.
July 31, 1956

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

Re: DMEA-4248, (Mica) Grover Prospect
Mitchell County, N. C.

Dear Mr. Laurence:

We wish to make an amended legal description for the Grover Prospect, DMEA-4248, to read as follows:

Beginning on an iron stake at the center of the Grover Prospect which is located approximately 600 feet North to a Hickory stump which is a corner in the property line between John Phillips and Paul and Gudger Fortner, as shown on deed recorded in Book No. 113, Page 68, in Register of Deeds Officer, Bakersville, N.C.; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Wing, N. C.

Very truly yours,

Grover Grindstaff

Grover Grindstaff

P/b

RECEIVED
AUG 3 - 1956
Geologic Division
Knoxville, Tenn.

RECEIVED
AUG - 6 1956

Spruce Pine, N. C.
July 31, 1956

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

Re: DMEA-4248, (Mica) Grover Prospect
Mitchell County, N. C.

Dear Mr. Laurence:

We wish to make an amended legal description for the Grover Prospect, DMEA-4248, to read as follows:

Beginning on an iron stake at the center of the Grover Prospect which is located approximately 600 feet North to a Hickory stump which is a corner in the property line between John Phillips and Paul and Gudger Fortner, as shown on deed recorded in Book No. 113, Page 68, in Register of Deeds Officer, Bakersville, N.C.; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Wing, N. C.

Very truly yours,

Grover Grindstaff

Grover Grindstaff

P/b

RECEIVED
AUG 3 - 1956
U. ... Survey
Geologic Division
Knoxville, Tenn.

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

July 18, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4248 (mica)

Applicant: G. Grindstaff

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

Date of Field Team Report: 7/2/56

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

Field Team Recommendation: Recommend a unit-cost, 2-stage exploration contract.

Comments:

1. This deposit appears to have possibilities for the development of strategic mica if continuity of structure is proven.

2. Total estimated costs are in the amount of $3,677.00.

Recommendation:

I concur with the field team's recommendation for a unit-cost, 2-stage exploration contract.

W. F. Dietrich

W. F. Dietrich

RECEIVED
JUL 19 1956

IN REPLY REFER TO:

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

RECEIVED
JUL 13 1956

July 17, 1956

Re: DMEA 4248
Grover Grindstaff
Grover prospect
Mitchell Co., N. C.
Appl. Est. $6,000
Rec'd. Est. 3,677
Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a newly found pegmatite, exposed for a width of 2 feet, by bulldozing, a shaft, and drifting.

The examiners found the pegmatite exposed for a length 30 feet and over a width of 5 feet. No muscovite was to be seen in place, but 50 pounds had been recovered from about 2 cubic yards of rock trenching. Based on the mica production and the aspect of the pegmatite the examiners recommend approval of a 2 stage work program consisting of bulldozing and drifting at an estimated cost of $3,677.00.

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

N. E. Nelson

N. E. Nelson

DOCKET COPY
Surname:

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

JUL 16 1956

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

Re: Docket No. DMEA-4248-mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Examination Report dated July 2, 1956, on the subject property.

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

We note that the proposed work consists of a strike trench on the slope of a relatively low hill to be followed by an adit drift, if strong continuity of the pegmatite is established. The topography shown by your contour lines, indicates that a maximum depth of around 30 to 35 feet would be attained under the crest of the hill by driving an adit drift. However, a longitudinal section indicates to us that a shaft--vertical or incline--would be the most feasible method of exploration if trenching establishes reasonable continuity. May we have your comments on this suggestion? If you agree, please send us an alternate proposal embodying shaft sinking and drifting from the shaft, following trenching.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (A/S)

Approved:

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

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

Enclosure

JHopkins:ms 7/12/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

July 5, 1956

Memorandum

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

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

Subject: DMEA-4248 - Field Examination Report
Grover Grindstaff, Route 3, Bakersville, N. C.
Grover Prospect, Mitchell County, North Carolina

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

This pegmatite, essentially a new prospect, has yielded some good mica and might contain significant reserves if it has any continuity. Therefore, we recommend approval of a two-stage exploration contract as outlined in the report. If the bulldozing indicates a sufficient target, the Stage II adit work would be justified.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 13

RECEIVED
JUL 9 - 1956

Reviewed by
DMEA OPERATING COMMITTEE
7-13-56
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

On

DMEA-4248 (mica) GROVER PROSPECT
Mitchell County, N. C.

By

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
7-13-56
(date)

July 2, 1956

RECEIVED
JUL 9 - 1956

FIELD EXAMINATION REPORT

On

DMEA-4248 (mica) GROVER PROSPECT
Mitchell County, N. C.

Summary

A soft weathered, relatively fine-grain, mica-bearing pegmatite has been surficially exposed by several small pits. The structure is possibly of partial replacement origin. About 50 pounds of rather good quality green muscovite has been recovered from about 2-cubic yards of trench. The examiners recommend a 2-stage exploration program based on the observed quality of recovered mica and the possibility of a fairly large structure.

Location:

The Grover Prospect is 0.63 airline miles N 10° W from Wing, Mitchell County, N. C., on the southeastern slope of Big Ridge at the southern extremity of Burns Mountain (Micaville Quadrangle, TVA Ed. 1934, 1:24,000).

Introduction

The Field Examiners were accompanied by Mr. Grover Grindstaff, Mr. Cecil Phillips, and Mr. George McClelland on the examination which took place April 23, 1956. No previous contact has been had with the applicant, but he seems to have had wide experience in the mica mining industry.

Access is by a short jeep road from the hard surfaced Snow Creek Road to within 400 feet of the Prospect. No buildings, equipment, or supplies are presently at the site.

Geology

About 30 strike length feet of fine grained mica-bearing pegmatite has been previously exposed by a shallow pit and shallow caved shaft. The exposed conformable hanging wall contact has an attitude of N 45° E 40° SE. At least a 5-foot width of pegmatite is exposed with no footwall showing. An upward termination is evidenced by the general disintergration of the structure at the surface. There is a number of small irregular pillow-shaped blobs of partially pegmatized material in the upper part of the exposure, that show a residual micaceous foliation oriented with the wall rock. The material is conformably to disconformably enclosed in a highly weathered earthy brown mica schist. No muscovite was left in plave for the examiners to see, but about 50 pounds had been recovered from about 2 cubic yards of the recent trenching. Visual inspection of the muscovite indicated it was flat, clear green colored, about 3 inches in diameter, and free from mineral intergrowths of any kind.

Recommendations:

There is a good indicated mica potential, but continuity of structure is obscure. On that basis, the examiners suggest that preliminary bulldozing be done to determine if Stage II underground work is justified. It is recommended that Stage II work consist of 100 feet of adit from the lowest down hill position established by the bulldozing.

Estimated Costs:

Stage I

Bulldoze a trench along trench along strike from the present

exposure, northeast and downhill to establish strike length continuity in that direction. Use D-6 tractor or equivalent.

99
100' x 15' x 10' deep, 555 cu. yds @ $0.30/yd ~~$165.00~~ 165.00

Stage II

Build 400 feet of road using a D-6 tractor or equivalent 400' x 12' x 3' deep, 530 cu. yds @ $0.20/cu. yd 106.00 ~~$105.00~~ 106.00

Toolhouse	76.00	
Powder magazine	25.00	115.00
Exploder magazine	14.00	

Drive 100 ft of adit, drift and/or crosscut, ~~(50 shifts)~~ 45 shifts

Labor:

1 - Miner @ $1.50/hr. 12.00	600.00	540.00
2 Laborers @ 1.00/hr. 16.00	800.00	720.00

Equipment (rental)

Compressor, drill & Jackleg @ $250/Mo. 2 mos.	625.00	560.00

Supplies:

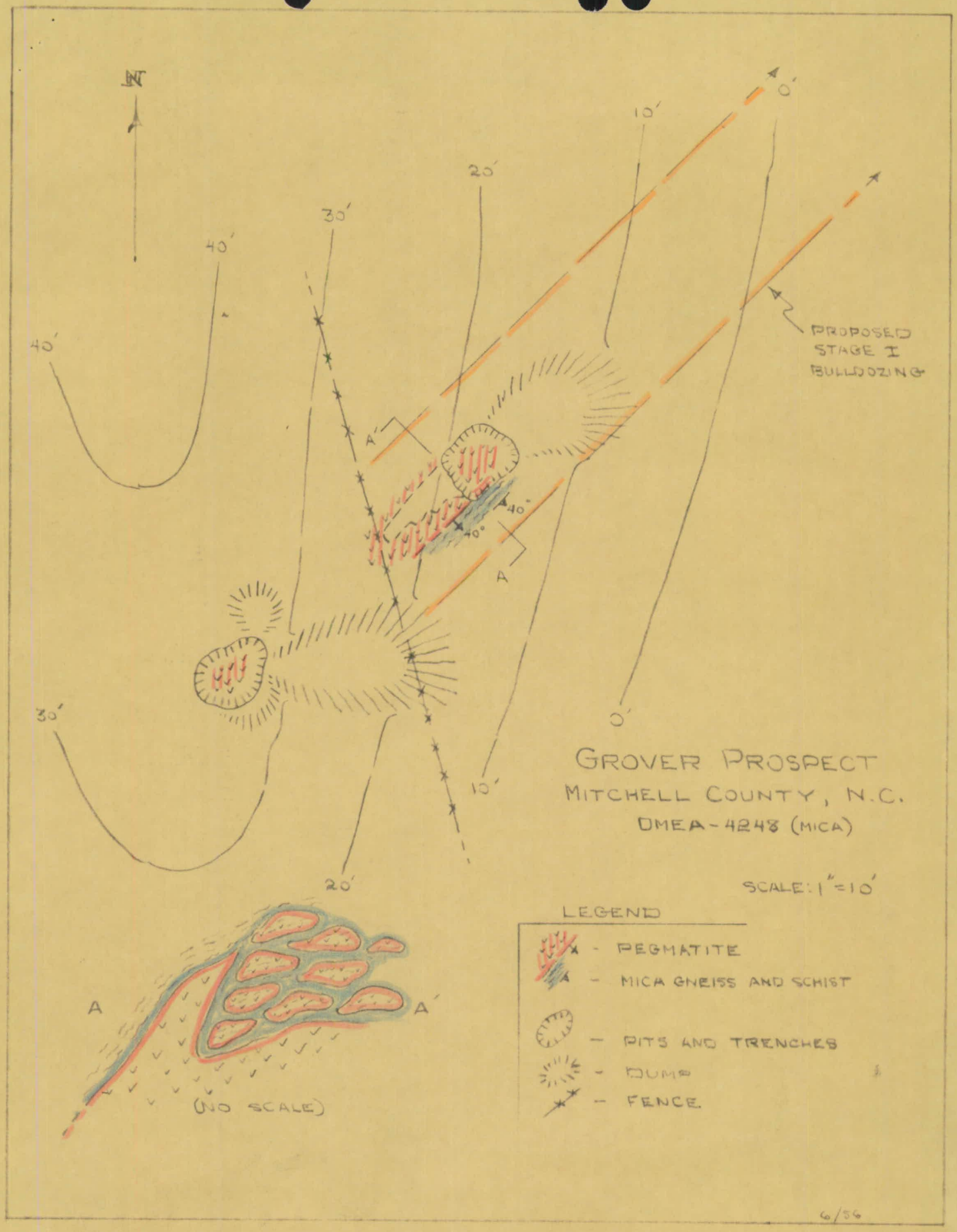
Explosives	310.00	
Drill steel	200.00	
Gasoline and oil	200.00	
Timber, 3,000 b.f. @ $65/M	195.00	
Miscellaneous, small tools, etc.	150.00	
Liability Insurance	140.00	
Social Security	42.00	467.00
Sales Tax	30.00	
	1961.00	3087.00
Total estimated cost Stage II		~~$3512.00~~
Total estimated cost of Stages I and II.....		$3677.00

Cost of 100 ft of drift $3292.00 or $32.92/ft. Too High

July 2, 1956

S. C. Bergman, Geologist, USGS

A. L. Peyton, Mining Engineer, USBM.


N
0'
10'
20'
30'
40'
40'
30'
20'
10'
0'
PROPOSED STAGE I BULLDOZING
A'
A
40°
40°
GROVER PROSPECT
MITCHELL COUNTY, N.C.
DMEA-4248 (MICA)
SCALE: 1" = 10'
LEGEND
- PEGMATITE
- MICA GNEISS AND SCHIST
- PITS AND TRENCHES
- DUMP
- FENCE
A
A'
(NO SCALE)
6/56

RECEIVED
JUL 9 - 1958

DOCKET COPY
Surname:

Hopkins
Houk
Selfridge

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

APR 26 1956

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

Re: Docket No. DMEA-4248-Mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated April 16 and 18, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures: 4

JHopkins:ms 4/23/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

R.A.L.

DOCKET COPY
Surname:

Houk
Kiilsgaard
Gehrz
Selfridge
Hopkins

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

APR 26 1956

Mr. Grover Grindstaff
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4248-Mica
Grover Grindstaff
Grover Prospect
Mitchell County, North Carolina

Dear Mr. Grindstaff:

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

JHopkins:ms 4/23/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins
Admr. R. File

R.C.S.

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

RECEIVED
APR 1 7

April 18, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4248 (mica)

Applicant: G. Grindstaff

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 4/13/56

Comments:

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

2. Applicant states a 2-foot pegmatite is visible.

3. Total estimated costs are in the amount of $6,000.00.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

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 4248 H
Grover Grindstaff
Grover prospect
Mitchell Co., N. C.
$6,000 - 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 2-foot pegmatite believed by the applicant to contain ruby mica.

The proposed work consists of:--

Bulldozing	20 hours	$ 200.00
Shaft	60 feet	3,000.00
Drift	80 feet	2,800.00
	Total	$6,000.00

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

April 13, 1956
Subject: DMEA-4248
Re: Exploration Assistance
Grover Prospect

Mr. Grover Grindstaff
Route 3
Bakersville, North Carolina

My dear Mr. Grindstaff:

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-4248 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

April 13, 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
- 4248 Grover Grindstaff

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

MF-203
Revised March 24, 1955

RECEIVED
APR 12 1956

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

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the Grover Prospect which is located approximately 185' S.W. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Wing, N. C.,

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

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

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

None

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

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

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

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

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.

John [illegible] [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

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_____
Contract Date_____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the Grover Prospect which is located approximately 185' S.W. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Wing, N. C.,

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None

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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.

John Shelby [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

RECEIVED
APR 1 2 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

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None

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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.

_____ [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

RECEIVED
APR 1 3 1956

MF-203
Revised March 24, 1955

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

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the Grover Prospect which is located approximately 135' S.W. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Ming, N. C.,

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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 _____ day of _____, 195_____.

_____ [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

MF-203
Revised March 24, 1955

RECEIVED
APR 12 1956

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

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the Grover Prospect which is located approximately 185' S.W. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Wing, N. C.,
which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

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

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

None

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

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

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

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

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.

_____ [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

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 _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

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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.

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Dated this 6th day of April, 1956.

_____ [Seal] Spruce Pine, N. C.

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 43-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-4248
Metal or Mineral Mica
Date Received 4-12-56
Estimated Cost $6,000.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Grover Grindstaff
Route 3, Bakersville, N. C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? Yes. Will furnish required 25%.

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated April 6, 1956

Grover Grindendorf
(Applicant)

By Grover Grindendorf

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

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

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APR 1 2 1956

MF-103 (Continuation sheet)

4. (a) No previous work has been done.

   (b) No past production; new prospect.

   (c) There is a two-foot vein visible and we believe that by exploration work ruby mica may be found.

   (d) Project is accessible to roads and shipping.

   (e) Manpower, equipment and supplies are available. Power is 300 yards away.

5. (b) We propose to bulldoze away overburden, sink a shaft 60'; then drift 80' with vein.

6. Estimate of costs:

20 Hrs. Bulldozing @ $10.00 per hour . .	$ 200.00
60' Shaft @ $50.00 per ft.	3000.00
80' Drift @ $35.00 per ft.	2800.00
	$ 6000.00

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Grover Grindstaff

Grover Grindstaff was born and brought up in Mitchell County, and has lived his entire life in this area. He has been self-employed in mining mica and feldspar most of his life, and is considered one of the best miners in the area.

Mr. Grindstaff is now 55 years old, and has the reputation of a good citizen and honest man.

He lists the following references:

Mr. W. S. Greene
Route 3
Bakersville, N. C.

Mr. John McBee, Sr.
Bakersville, N. C.

Mr. Edward Fortner
Spruce Pine, N. C.

MINING LEASE

RECEIVED
APR 1 2 1956

State of North Carolina Mitchell County:

This indenture made this 6 day of April, 1956, ~~1951~~

between John Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Grover Grindstaff

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

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

Beginning on an iron stake at the center of the Grover Prospect which is located approximately 185' S.W. of another iron stake; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located about two miles West of C. R. Phillips' Store at Wing, N.C.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of (One-eighth) 1/8 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 Exp: 8/17/57

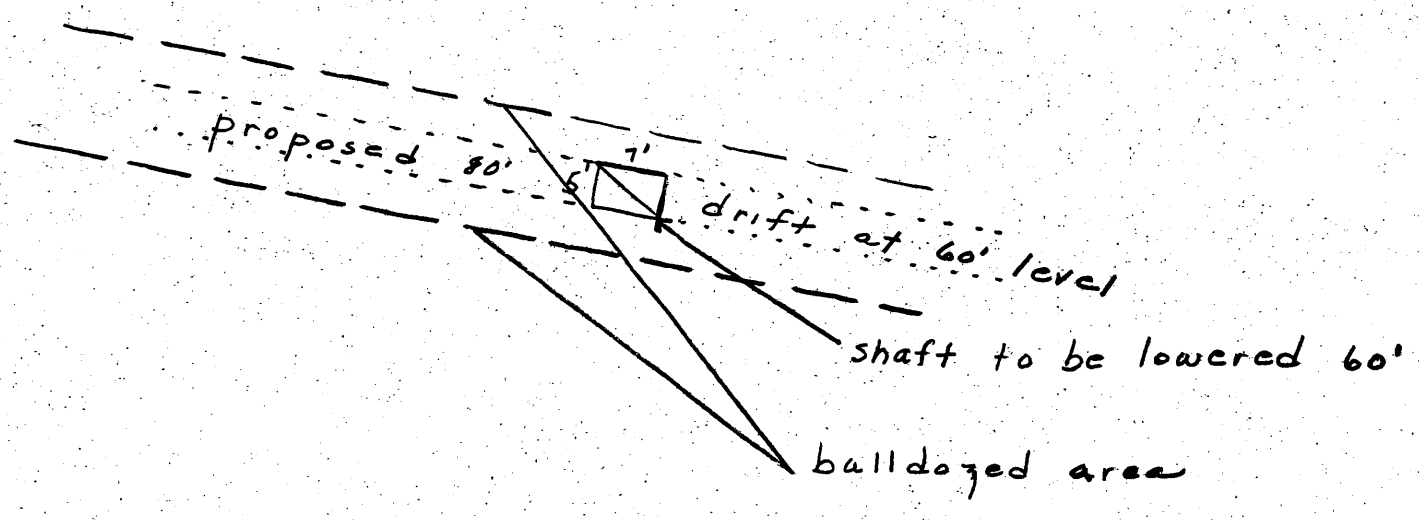
John Phillips (Seal)

_____ (Seal)

_____ (Seal)

Grover Prospect

Mitchell County
N. C.



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APR 1 - 1985

Grover Grindstaff
Route 3
Bakersville, N. C.

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

KAROLTON KLASP—9½ x 12½
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