DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 4283

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Routing Slip

To:	Non-metallic Div.	Date	5/8/56
To:	MR. ANDERSON	Date	5/8/56
To:	Open Corr	Date	6-18-56
To:	F.E. Johnson	Date	6-20-56
To:	Open Corr	Date	8-21-56
To:	COM	Date	8-23-56
To:	Open Corr	Date	9-28-56
To:	Admin.	Date	9-28-56
To:		Date	
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INT.-DUP. SEC., WASH., D.C. 98868

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

600

DOCKET COPY
Surname:
Anderson
Hopkins
Kiilsgaard
Lamb
Selfridge

SEP 28 1956

Messrs. Fred Wilson, D. S. Hasbrouck,
and Roger A. Grant, Jr.
45 King Street
Asheville, North Carolina

Re: Docket No. DMEA-4283-mica
Fred Wilson, D. S. Hasbrouck,
and Roger A. Grant, Jr.
Bee Tree Mine No. 1
Transylvania County, North Carolina

Gentlemen:

Your application for aid for an exploration project and other reports available to us in Washington relating to the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates to us that the probability of disclosing significant reserves of mica is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 9/26/56
Copy to: Docket
Operating Committee
Field Team, Region V
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. 600

September 26, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Subject: Evaluation of Application and Field Examination Report
Docket No. DMEA-4283-mica
Fred Wilson, D. S. Hasbrouck, and Roger A. Grant
Bee Tree Mine No. 1
Transylvania County, North Carolina

Denial of application is recommended

Mica: Small amount; that which could be observed was either stained, severely cracked or locked.

Pegmatite:
Discordant with garnetiferous, muscovite-biotite gneiss country rock, consisting of plagioclase, massive and disseminated quartz, "burr" rock, small muscovite and acessory pyrite and chalcopyrite.

Old Workings:
S-shaped open cut, 150 feet long by 10 to 35 feet wide and 50 feet deep. Both walls overhand, highly fractured. Dangerous mine to work since "caving is imminent". Field Team states that about 3,000 tons of rock would have to be removed at $1.50 per ton to make the mine safe.

Past Production:
No statistics available.

Method of Exploring:
The applicant proposes to lower the existing cut from 10 feet at the mouth to 35 feet at the heading and from the heading drive 100 feet of drift. This along with building 1000 feet of access road to cost $12,500.

Comments:
The condition at the mine and the unpublished report by E. Wm. Heinrich of the Bureau of Mines of May, 1944, does not indicate this to be a favorable exploration project. The applicants, as we have experienced at the Farlow Gap Mine (DMEA-3265), have demonstrated their lack of mining experience and willingness to cooperate. The applicants' proposal appears to be mining rather than exploration.

Recommendation:
Based on the foregoing analysis, the Nonmetallic Minerals Division concurs in the Field Team's strong recommendation to deny the application. The Commodity Members of the Bureau of Mines and Geologic Survey firmly concur.

Walter C. Anderson

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

RECEIVED
SEP 27 1956

September 27, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4283 (mica)

Applicant: F. Wilson, D. S. Hasbrouck

Name and Location of Property: Bee Tree No. 1 Mine, Transylvania Co., N. C.

Date of Field Team Report: 9/7/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/20/56

Field Team Recommendation: Recommend denial of subject application.

Comments:

1. The present workings are in a dangerous condition and considerable work would be necessary to make the mine safe for further work.

2. No strategic mica was observed during the examination.

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

Recommendation:

I concur with the field team's recommendation for denial.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
SEP 24 1956

September 21, 1956

Re: DMEA 4283
Fred Wilson, et al.
Bee Tree No. 1 Mine
Transylvania Co., North Carolina
$12,500 - Mica

Memorandum

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

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

Subject: Review of Field Team report (second).

The applicants requested assistance in reopening an old mine by drilling and drifting.

The mine probably produced mica from a large open cut, 150 feet long and up to 50 feet deep with overhanging walls. Little mica is to be seen in the discordant pegmatite exposed in the bottom of the cut. Much work is required to clean up the cut, scale the walls and make it safe for working as the applicants intend.

In view of the conditions at the mine and the demonstrated lack of mining experience and willingness of the applicants to cooperate, the Field Team and the examiners recommend denial of the application.

The reasons for the recommendation are deemed adequate and I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

A

RECEIVED
SEP 17 1956

September 14, 1956

Memorandum

TO: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4283 (mica)
Fred Wilson, D. S. Hasbrouck and Roger A. Grant, Jr. Bee Tree No.1 Mine, Transylvania County, North Carolina

Enclosed are four copies of the subject examination report.

Conditions at the Bee Tree No.1 Mine are unchanged since the 1944 report of E. W. Heinrich was written. All the mica observed in the present examination (and very little could be seen) was either stained, cracked or locky.

We agree with the recommendation for denial.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
9-21-56
(date)

RECEIVED
SEP 17 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION BY FIELD TEAM, REGION V

On

DMEA-4283 (mica) BEE TREE No.1 MINE
Transylvania County, N. C.

BY

R. A. Laurence and A. R. Taylor, Geologists
U. S. Geological Survey
and

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

Received by
DMEA [illegible]
9-21-56
(date)

September 7, 1956

FIELD EXAMINATION
REPORT
ON

RECEIVED
SEP 17 1956

DMEA-4283 (mica) BEE TREE No.1 MINE
(Formerly Bee Tree Fork Mine)

Applicant: Fred Wilson, D. S. Hasbrouck, and Roger A. Grant, Jr.,
c/o Fred Wilson, 45 King St. Asheville, N.C.

Summary

No work has been done since Heinrick's examination in 1944. The mine is still in an extremely unsafe condition. The applicant proposes to mine, not explore; however, we doubt his ability to do a good job of exploration. It is strongly recommended that the application be denied.

General

The Bee Tree No.1 mine is 3200 ft in elevation, 800 ft east of the junction of Bee Tree Creek and the North Fork of the French Broad River (extreme SE corner of the Sam Knob, N.C., Quad. 184-SW, 1/24,000). It is nine airline miles N.N.W. of Roseman, Transylvania County, N.C.

This mine, within Pisgah National Forest, was examined September 7, 1956. One hour was spent on the property. Access is by a steep foot trail from a graveled all weather road.

No equipment or facilities exist at the mine.

Geology and Workings

The workings are the same as those described by Heinrich (1944) in his report.

The mine consists of an open, S-shaped cut that is 150 ft long, 10 to 35 ft wide, and about 50 ft deep. The difference in elevation between the western and eastern ends of the cut is 80 ft.

Both walls overhang and are so highly fractured that Heinrich said that "caving is imminent." During the examination many loose rocks rolled into the bottom, thus making examination difficult and dangerous. The muck left in the steep eastern end is especially liable to slide in. One man is reported to have been killed here years ago.

A N 80° E striking mica pegmatite exposed in the cut bottom dips generally south very steeply but has several local "rolls" or reversals in dip. The body consists of plagioclase, massive and disseminated quartz, "burr" rock, small muscovite and accessory pyrite and chalcopyrite (eastern end). The mica is reported to have been on the southern wall. "Some of it contains light mineral spots.... is severely cracked."

The pegmatite is discordant to the garnetiferous muscovite-biotite gneiss country rock whose foliation strikes (at the slide) N 60° E and dips 55° NW.

Mr. Heinrich estimated that "much dead work would be required to make the mine safe....", and that about two or more months would be required to remove about 3000 tons of rock (75% gneiss) at a cost of $1.50 per ton. His conclusion, shared by the present examiners, is that the cost of reopening the mine for the very small quantities of mica exposed "would appear to eliminate the Bee Tree No. 1 from serious consideration...." at least for the present conditions. The very small amount of

mica in the exposed pegmatite is insufficient to justify deeper exploration by either drilling or shaft sinking.

Conclusions and Recommendations

Since the Applicant proposes to mine by benching, at a great cost, and the mine is in such an untenable position at present, the Examiners recommend that the appliation be denied.

Previous experience with Mr. Wilson and his associates (e.g., DMEA-3265, Farlow Gap Mine) indicates that they lack the ability to do a good job of exploration and that a contract, if executed, would almost certainly result in the same kind of difficulties that we have on these other jobs.

Ref:

1. Heinrich, E Wm. May, 1944. Bee Tree No. 1 and Bee Tree No. 2 Mica Mines, Transylvania County, N. C., USGS open file report.

2. Mineral Deposits Branch, Mineral Commodity Files; Microfilm, reel 336, job 51-1

3. N. C. Div. MR Bull. 64

Robert A. Laurence and A. R. Taylor, Geologists
U. S. Geological Survey

and

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

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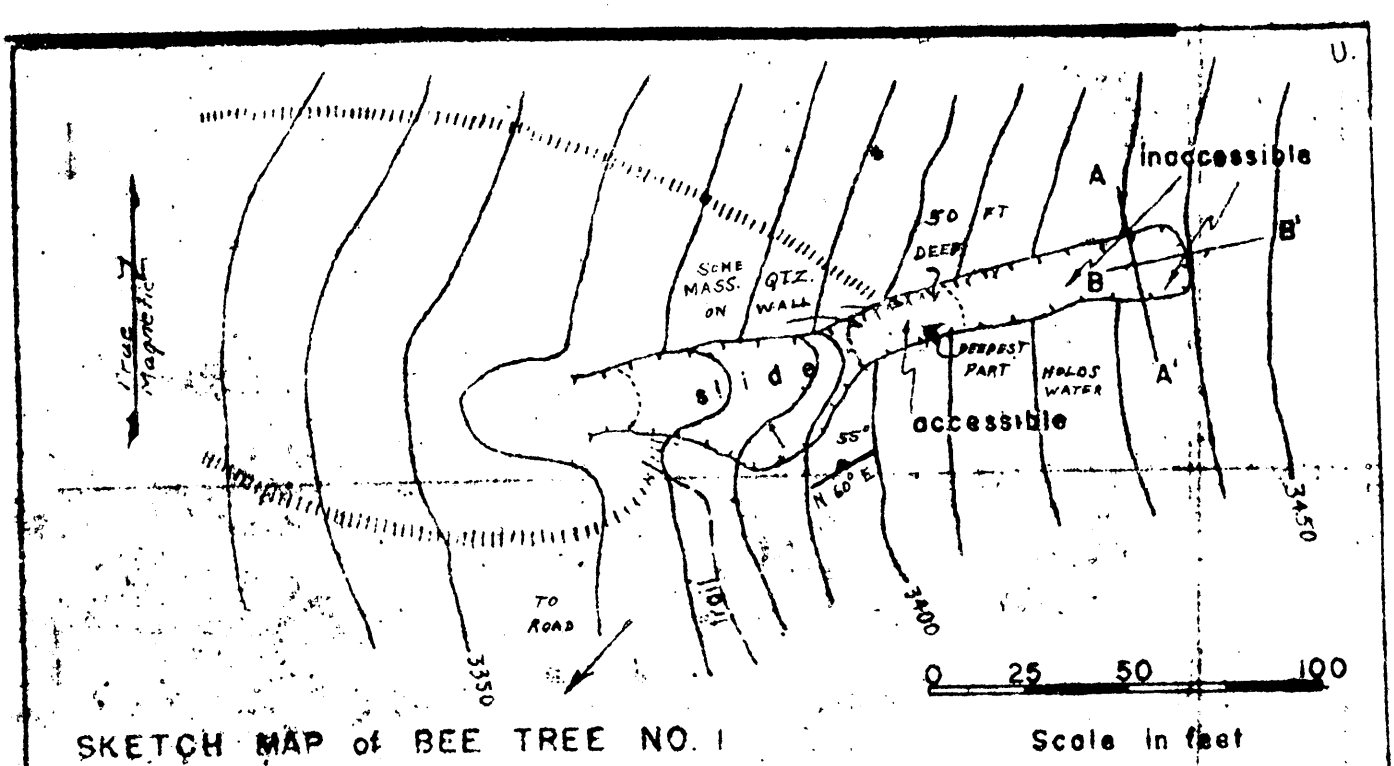
RECEIVED
SEP 17 1956

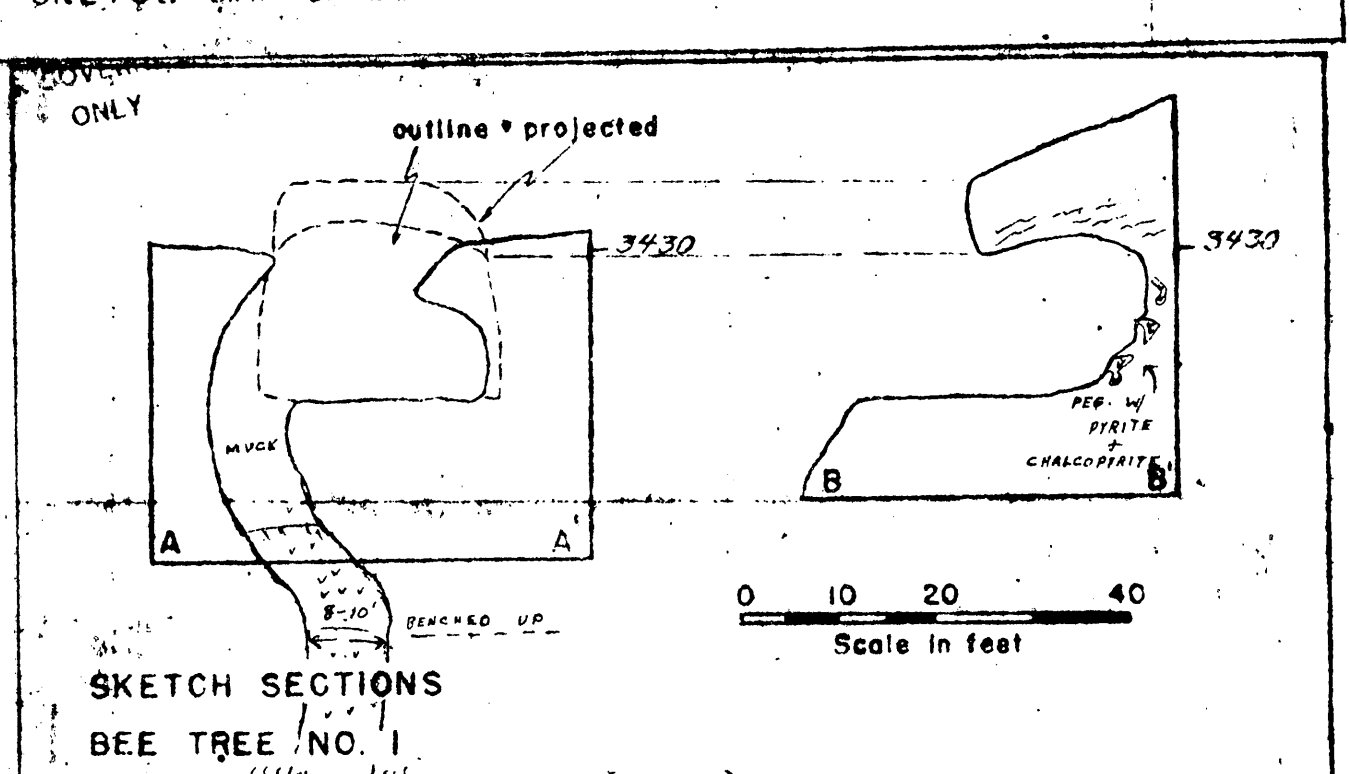
DMEA-4283, (MICA)

BEE TREE NO. 1 MINE, TRANSYLVANIA CO., N.C.

9-7-1956



SKETCH MAP of BEE TREE NO. 1



SKETCH SECTIONS

BEE TREE NO. 1

MAPPED BY E. WM. HEINRICH, APRIL 25, 1944; EXAMINED BY R. A. LAURENCE, USGS, A. R. TAYLOR, USGS, AND L. E. SHIRLEY, USBM, ON SEPT. 7, 1956. NO CHANGE HAS BEEN MADE SINCE 1944.

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

August 22, 1956

Memorandum

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

From: Field Team, DMEA, Region V

Subject: DMEA-4283 (Mica)
Fred Wilson, D. S. Hasbrouck and Roger A. Grant, Jr.
Bee Tree Mine No. 1, Transylvania County, North Carolina

Enclosed are two copies of a letter from Fred Wilson.

We still see no reason to examine the Bee Tree mine until the applicants demonstrate that they can satisfactorily complete the Farlow Gap contract.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 2

4

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

August 22, 1956

Memorandum

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

From: Field Team, DMEA, Region V

Subject: DMEA-4283 (Mica)
Fred Wilson, D. S. Hasbrouck and Roger A. Grant, Jr.
Bee Tree Mine No. 1, Transylvania County, North Carolina

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We still see no reason to examine the Bee Tree mine until the applicants demonstrate that they can satisfactorily complete the Farlow Gap contract.

Robert A. Laurence
Executive Officer

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

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

Rosman, N. C.,
General Delivery.

July I7th I956.

Mr. Robert Lawrence.
Knoxville.
Tenn.,

Dear Mr. Lawrence:

I would of had this work done at The Farlow Gap.mine if the proper method of working it had been ordered.

But I see no reason that the inspection of the Bee Tree mine should of been held up, I had equiptment assigned for that mine at the time of the application, and I still have that equiptment including the I60 CFPM Ingersoll Rand Compressor, if no inspection is to be made let me know, so that I can make some arrangement to have it worked, I cant go out of the mining buisness on account of no assistance from the DMMA .

Write to D.S. Hasbrouck, Box 848I Asheville, N. C., concerning the work at the Farlow Gap Mica Mine, and to me concerning the inspection of the Bee Tree Mica Mine # I. and all information concerning The Bee Tree

Yours sincerely,

Fred Wilson

RECEIVED
AUG 20 1956
U.S. ... Survey
Geologic Division
Knoxville, Tenn.

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

August 21, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4283 (mica)

Applicant: F. Wilson, D. S. Hasbrouck, R. A. Grant, Jr.

Name and Location of Property: Bee Tree Mine No. 1, Transylvania County, N. C.

Date of Field Team Report: 8/14/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/20/56

Field Team Recommendation: Recommend denial.

Comments:

1. The applicants have been incompetent in not completing a previous D.M.E.A. contract.

2. The unpublished Geological Survey report does not indicate this to be a favorable property for exploration.

3. The Bureau of Mines recommended denial of this application on May 14, 1956.

Recommendation:

I concur with the field team's recommendation for denial of this application.

W. F. Dietrich

W. F. Dietrich

RECEIVED
AUG 2 2 1956

IN REPLY REFER TO:

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

August 20, 1956

Re: DMEA 4283
Fred Wilson, et al.
Bee Tree Mine
Transylvania Co., N. C.
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 applicants requested assistance in reopening an old mine, credited with a substantial production, but as of 1944 showing very small quantities of mica in the accessible workings.

Based on the 1944 report and the known incompetence of the operators, the Field Team recommends denial of the application without an examination.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

RECEIVED
AUG 21 1956

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

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Johnson
Mittendorf

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

Re: Docket No. DMEA-4283-mica
Fred Wilson, et al.
Bee Tree Mine No. 1
Transylvania County, North Carolina

Dear Mr. Laurence:

Reference is made to your memorandum of August 14, 1956, recommending a denial of the subject application, without field examination.

We note that you base your recommendation, in part, to the unpublished Geological Survey report by E. Wm. Heinrich, who examined the mine in 1944. It could be possible that additional work has been done at this mine since the date of the geological report. We would prefer that a field examination and report be made, so that we may know definitely what the status is at this property. Other considerations for denial of this application should be determined after a more careful study of all of the facts in the case.

Sincerely yours,

SIGNED

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

WCAnderson:ms 8/21/56
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 18 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 14, 1956

Memorandum

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

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

RECEIVED AUG 16 1956

Subject: DMEA-4283 (Mica)
Fred Wilson, D. S. Hasbrouck and Roger A. Grant, Jr.
Bee Tree Mine No. 1, Transylvania County, North Carolina

Reference is made to your letter of June 20, requesting a review of the subject examination.

An unpublished Geological Survey report by E. Wm. Heinrich, who examined the mine in 1944, states that, "Despite its record of substantial previous production, the cost of reopening the mine as well as the very small quantities of mica exposed in the accessible workings, make the future of the deposit doubtful." This implies a difficult job of exploration, and these applicants have indicated a lack of ability to cope with a relatively simple job like the contract at Farlow Gap (DMEA-3265).

We have not yet arranged a field examination of this application. Based on our previous experience with these applicants at other jobs, especially at Farlow Gap (DMEA-3265, Idm-E830), we would be unwilling to recommend a contract, even if the Bee Tree No. 1 presented an excellent target for exploration, which it obviously does not.

Therefore, we recommend denial of this application, without field examination. However, the denial letter should refer to the last paragraph of Mr. Mittendorf's letter of June 20 to the applicants, as the principal reason for the denial.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Reviewed by
DMEA OPERATING COMMITTEE
8-20-56
(date)

DOCKET COPY
Surname:
Anderson
Houk
Kiilsgaard
Yoder
Martin
Hoffman

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

JUN 20 1956

Messrs. Fred Wilson, D. S. Hasbrouck
and Roger A. Grant, Jr.
45 King Street
Asheville, North Carolina

Re: Docket No. DMEA-4283-mica
Fred Wilson, D. S. Hasbrouck
and Roger A. Grant, Jr.
Bee Tree Mine No. 1
Transylvania County, North Carolina

Gentlemen:

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

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

Please be informed that while we are referring your application to the field for examination, unless you demonstrate your competency to carry on the exploration work at the Farlow Gap Mine, DMEA-3265, we will be unable to give you another exploration contract.

Sincerely yours,

G. O. Mittendorf

Administrator

WCAnderson:ms 6/18/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

DOCKET COPY
Surname:
Anderson
Houk
Martin
Johnson

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

JUN 2 0 1956

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

Re: Docket No. DMEA-4283-mica
Fred Wilson, D. S. Hasbrouck,
and Roger A. Grant, Jr.
Bee Tree Mine No. 1
Transylvania 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 May 9 and 14, 1956, by Mr. M. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

We have noted the applicants' objection to Mr. Shirley conducting the field examination at this prospect. In view of this circumstance, we suggest you have someone else make the examination.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

P. F. Yopes
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures:4

WCAnderson:ms 6/18/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

RCL.

RECEIVED
JUN - 6 1956

45 King St.,
Asheville, N. C.,
June 4th 1956.

Defense Minerals Administration,
Washington,
D.C.,

Dear Mr. Houk:

I had to obtain an additional copy of the lease, as I only had one. I am enclosing a photo copy of the last page, signed by all parties.

I am in this part of the country now working the Farlow Gap Mine, which is the same vein but further in the Mountains 5 miles distance. I am going to put the extra equiptment at the Bee Tree mine # I, including the Ingersoil Rand I60 CFPM diesel compressor I have here in Asheville, and other eqpt. assigned to the mine.

I can start working this mine as soon as the Inspection is made, any assistance you can give me will be appreciated.

Yours truly,

Fred Wilson

Docket No DMEA-4283-Mica
Bee Tree No I
Transylvania County North Carolina.

Form 4-1100
(June 1953)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Washington 25, D. C.

RECEIVED

Serial No. BLM-A 036064

North Carolina
(State)

MICA
MINERAL LEASE - ACQUIRED LANDS

This mineral lease entered into in quintuplicate this 1st day of December, 1955, by and between the United States of America, the lessor, through the Bureau of Land Management, and Fred Wilson, D.S. Hasbrouck, Roger A. Grant, Jr., the lessee, of 45 King Street, Asheville, N.C. pursuant to Section 402 of the President's Reorganization Plan No. 3 of 1946, and regulations thereunder (43 CFR 200.31 et seq.); witnesseth:

SECTION 1. Rights of Lessee. In consideration of the rents and royalties to be paid and conditions and covenants to be observed as herein set forth the lessor grants to the lessee, subject to all privileges and uses heretofore duly authorized and prior valid claims, for a period of 5 years from the date hereof, the exclusive right to mine, remove and dispose of all the mica and associated minerals in, upon, or under the following-described tracts

Pisgah National Forest, Gloucester Township, Transylvania County, North Carolina A part of U.S. Government tract No. 126, conveyed to the United States by J. S. Silversteen, and located approximately N 6° W. 45 chains from the confluence of Long Branch and the north fork of French Broad River and more particular known as The Bee Tree Fork Mine.

containing 9 acres, more or less, together with the right to construct and maintain thereupon such structures and other facilities as may be necessary for the mining, preparation and removal of said minerals.

SECTION 2. In consideration of the foregoing, the lessee agrees:

(a) Production. To begin production within 24 months and to continue production thereafter unless operations are interrupted by strikes, the elements or casualties not attributable to the lessee. The lessor may grant reasonable extensions of time for the commencement of production, and may authorize suspensions of production for reasonable periods of time in the interest of conservation or when the lease cannot be successfully operated at a profit, or for other reasons when such action does not adversely affect the interest of the United States.

(b) Rental. To pay to the lessor annually in advance, beginning with the date of this lease, rental of $2.00 for each acre or fraction thereof for each lease year until production commences, the rental payment for the year in which production commences to be credited on royalties that accrue during that lease year.

(c) Royalty. To pay the lessor within 30 days after the end of each period prescribed in subsection (f) of this section a royalty of 8 percent of the gross value of the minerals mined hereunder at the point of shipment to market, such point of shipment to be the mine or preparation plant, as the case may be. The lessee agrees that the Secretary of the Interior, for the purpose of determining the royalties due hereunder, may establish reasonable minimum values for the minerals mined, due consideration being given to the highest price paid for a part or a majority of the production of minerals of like quality produced from the same general area, the price received by the lessee, posted prices, and other relevant matters.

(d) Minimum Royalty. If there is no production or if royalties under subsection (c) of this section total less than $25.00 in any lease year, to pay the lessor a sum equal to the difference between such royalties and $25.00, such minimum royalty obligation to become effective the first lease year commencing after production begins, and to be payable within 30 days following the end of the lease year for which due. Lessor may, in its discretion, suspend the minimum royalty requirement when production is interrupted or suspended as provided in subsection (a).

(e) Bond. To furnish and maintain a bond in the sum of $5000.00 conditioned upon compliance with the terms and conditions of this lease.

(f) Statement. To furnish for each month or such other period as may be designated by the District Mining Supervisor of the Geological Survey, statements in detail, in such form as may be

prescribed by him, 1/ of the amount and value of output from the leasehold during such period for use in determining royalties, such statements to be furnished within 30 days from the close of the month or period so designated. Falsification of such statements shall be grounds for cancellation of the lease. 2/

(g) Inspection. To permit at all reasonable times: (1) inspection by any duly authorized officer of the supervising agencies, of the leased premises and all surface and underground improvements, works, machinery, equipment, and all books and records pertaining to operations and surveys or investigations under this lease; and (2) the lessor to make copies of and extracts from any or all books and records pertaining to operations under this lease.

(h) Maps--Reports. To furnish in duplicate to the District Mining Supervisor, at such times as he may require, a plat in the manner and form prescribed by him 1/ showing prospecting and development work and improvements on the lease land and other related information, with a report as to all buildings, structures, and other works or equipment, situated elsewhere and owned or operated in conjunction with, or as a part of the operations conducted hereunder.

(i) Operations. To conduct operations in compliance with all Federal and State laws and the operating regulations of the Department of the Interior (30 CFR, Chap. II, Part 231), which are made a part hereof, and to exercise reasonable diligence, skill and care in the operation of the property, and to carry on all operations in accordance with approved methods and practices, having due regard for the prevention of damage to mineral deposits, water horizons and property, injury to life and health, and economic waste.

(j) Taxes. To pay when due all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, output of mines, and other rights, property and assets of the lessee.

(k) Deliver Premises. To deliver up to the lessor in good order and condition and subject to the provisions of Section 9 hereof on the termination of this lease as a result of forfeiture thereof the lands covered thereby, including all underground timbering and such other supports and structures as are necessary for the preservation of the mine.

(l) Assignment. Not to assign this lease, or any interest therein, whether by direct assignment, operating agreement, working or royalty interest, or otherwise, nor sublet any portion of the leased premises, except with the approval in writing of the lessor. All such assignments or subleases must be submitted in triplicate within 90 days from the date of execution and must contain all of the terms and conditions agreed upon by the parties thereto. No overriding royalties or payments out of production shall be created which would exceed 1/2 the royalties payable under this lease to the lessor. An assignment of all or part of the record title to a portion of the acreage in the lease shall separate the lease into separate leaseholds and the terms hereof shall apply separately to the segregated portions. Advance annual rental payments if previously terminated shall be resumed as to an undeveloped segregated portion on the next anniversary date of the lease, the minimum royalty payment herein specified shall apply separately to the segregated portions and the time allowed within which to commence operations on an undeveloped segregated portion shall be such reasonable period as shall be prescribed by the lessor at the time the assignment is approved.

(m) Nondiscrimination. Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(n) Payments. To make all payments to the lessor under this section as directed, such payments to be made to the order of the Treasurer of the United States.

SECTION 3. In further consideration of the foregoing, the lessee also agrees:

(a) Protection of Property. To conduct all operations authorized by this lease with due regard for good land management; not to cut or destroy timber without first obtaining permission from the authorized representative of the Secretary of Agriculture, and to pay for all such timber cut or destroyed at rates prescribed by such representative; to avoid unnecessary damage to improvements, timber, crops, or other cover; whenever practicable, to control soil erosion resulting from the operation; to prevent pollution of soil and water resources; unless otherwise authorized by the representative of the Secretary of Agriculture, not to carry on operations, make excavations, construct tunnels, drill, or otherwise disturb the surface of the leased land within 200 feet of any building standing on the leased land; whenever required in writing by the authorized representative of the Secretary of Agriculture, to fence all sump holes and other excavations made by lessee.

(b) Forest, Brush and Grass Fire Precautions. To do all in his power to prevent and suppress forest, brush and grass fires on the leased land and in its vicinity, and to require his employees, contractors, subcontractors, and employees of contractors or subcontractors to do likewise. Unless prevented by circumstances over which he has no control, the lessee shall place his employees, contractors, subcontractors, and employees of contractors and subcontractors employed on the leased land at the disposal of any authorized officer of the Department of Agricuoture

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1/ All forms herein required are subject to approval by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

2/ 18 U.S.C. sec. 1001 makes it a crime for any person knowingly and wilfully to submit or cause to be submitted to any agency of the United States any false or fraudulent statement as to any matter within its jurisdiction.

for the purpose of fighting forest, brush, or grass fires, with the understanding that payment for such services shall be made at rates to be determined by the authorized representative of the Secretary of Agriculture, which rates shall not be less than the current rates of pay prevailing in the vicinity for services of a similar character; except that if the lessee, his employees, contractors, subcontractors, or employees of contractors or subcontractors caused or could have prevented the origin or spread of said fire or fires, no payment shall be made for services so rendered.

During periods of serious fire danger to forest, brush, or grass, as may be specified by the authorized representative of the Secretary of Agriculture, the lessee shall prohibit smoking and the building of camp and lunch fires by his employees, contractors, subcontractors, and employees of contractors or subcontractors, within the leased area except at established camps, and shall enforce this prohibition by all means within his power. However, the authorized representative of the Secretary of Agriculture may designate safe places where, after all inflammable material has been cleared away, campfires may be built for the purpose of heating lunches and where, at the option of the lessee, smoking may be permitted.

The lessee shall not burn rubbish, trash, or other inflammable material except with the consent of the authorized representative of the Secretary of Agriculture and shall not use explosives in such manner as to scatter inflammable materials on the surface of the land during the forest, brush or grass fire season, except as authorized to do so or on areas approved by such representative.

The lessee shall build or construct such fire lines or do such clearing on the leased land as the authorized representative of the Secretary of Agriculture decides is necessary for forest, brush, and grass fire prevention and shall maintain such fire tools at his headquarters on the leased land as are deemed necessary by such representative.

(c) Damage to Property. To pay the lessor or its tenant, as the case may be, for any and all damage to or destruction of property caused by the lessee's operations hereunder; to save and hold the lessor or its tenant harmless from all damage or claims for damage to persons or property resulting from the lessee's operations under this lease; and where the surface of the leased land is owned by other than the lessor, to pay such owner, or his tenant, as the case may be, for damage or injury to livestock, crops, trees, pipelines, buildings, and other improvements on the leased land.

(d) Restoration of Surface of Land. Upon any partial or total relinquishment, cancellation or expiration of this lease, as to that part of the leased land as to which the lessee's rights have terminated and to the extent deemed necessary by the authorized representative of the Secretary of Agriculture, to fill all sump holes, ditches and other excavations, remove or cover all debris, and, so far as reasonably possible, restore the surface of the leased land to its former condition, including the removal of structures as and if required.

(e) Department of Agriculture Regulations. To comply with all the rules and regulations of the Secretary of Agriculture governing the national forests or other lands under his jurisdiction which are embraced in this lease.

(f) Special Stipulations.

See attached additional stipulations and made a part hereof.

(g) Appropriate Agency Official. To address all matters relating to this section to Forest Supervisor, North Carolina Nat'l Forests at Asheville, N.C., who is the authorized representative of the Secretary of Agriculture, or to such other representative as may, from time to time, be designated provided that such designation shall be in writing and be delivered to the lessee or his agent as provided by Section 4 hereof.

SECTION 4. Lessee-Agent. Prior to the beginning of operations the lessee shall appoint and maintain at all times during the term of this lease a local agent upon whom may be served written orders or notices respecting matters contained in this lease, and shall inform the authorized representative of the Secretary of Agriculture, and the District Mining Supervisor of the Geological Survey, in writing, of the name and address of such agent. If a substitute agent is appointed, the lessee shall immediately so inform the said representatives.

SECTION 5. Renewal of Lease. If, upon the expiration of this lease, the issuance for an ensuing period of a lease of similar character is determined to be in the public interest, and all of the terms hereof have been satisfactorily complied with, and the lessee is then qualified, he shall be accorded a preference in the issuance of said ensuing lease upon such reasonable terms and considerations as may be prescribed by the Secretary of the Interior, unless otherwise provided by law. The exercise of such preference right shall be in accordance with regulations prescribed by the Secretary of the Interior.

SECTION 6. The lessor expressly reserves:

(a) Rights Reserved. The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the land leased, occupied, or used as may be necessary or appropriate to the working of the same or other lands, and the preparation and shipment of the products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Monopoly and Fair Prices. Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interest of the United States, to prevent monopoly, and to safeguard the public welfare.

(c) Fissionable materials. All fissionable source materials, together with the right, at any and all times, to enter upon the lands and prospect for, mine and remove such materials, pursuant to Executive Order No. 9908 (12 F. R. 8223).

(d) Waiver of Conditions. The right to waive any breach of the covenants and conditions contained herein, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular cause of forfeiture prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

SECTION 7. It is mutually agreed:

(a) Strip Mining. That this lease does not authorize mining or removal of minerals by stripping or contour mining unless otherwise specifically authorized herein.

(b) Reduction or Smelting of Ores. That the reduction or smelting of ores on the leased land is expressly prohibited in the absence of an agreement between the lessee and the designated representative of the Secretary of Agriculture authorizing such use of the surface of the land and providing for the necessary protection of life and property. Such agreement shall contain all of the terms and conditions under which the reduction or smelting of ores may be carried on and any violation of that agreement shall be considered a violation of the terms of this lease for the purpose of Section 9.

(c) Uses and Disposition of Surface. That the leased land shall be subject at all times to any other lawful uses or sale by the United States, its lessees, permittees, licensees, and assigns; provided that such uses or sale shall not prevent, obstruct, or unduly interfere with any privilege granted under this lease.

(d) Granting Leases for Other Minerals. That the granting of this lease will not preclude the issuance of other leases of the same land for the mining of other minerals with suitable stipulations as to joint operations, in order that full development of the mineral resources may be obtained.

SECTION 8. Relinquishment of Lease. Upon payment of all rentals, royalties and other debts due and payable to the lessor and upon payment of all wages or moneys due and payable to the workmen employed by the lessee, the lessee may, upon a satisfactory showing that the public interest will not be impaired, surrender all or any subdivision or subdivisions of the area included in the lease. In no case will the lease be terminated in whole or in part until and unless the lessee shall have made provision for the preservation of any mines and mineral deposits or productive works or permanent improvements on the lands covered thereby and complied with Section 3(d) hereof. A surrender must be by a relinquishment filed, in triplicate, with the Administrator, Bureau of Land Management. A relinquishment upon its approval shall take effect as of the date it is filed.

SECTION 9. Removal of Equipment, etc., on Termination of Lease. On termination of this lease, by surrender, forfeiture, or otherwise the lessee shall have the privilege at any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools and materials, other than underground timbering placed by the lessee in or on the leased lands, which are not necessary for the preservation of the mine. Any materials, tools, appliances, machinery, structures and equipment, subject to removal as above provided, which are allowed to remain on the leased land shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted by the lessor, but the lessee shall remove any or all of such property when so directed by the lessor.

SECTION 10. Proceedings in case of default. If the lessee does not comply with the applicable regulations made a part hereof or the terms of this lease and such default continues for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Administrator, Bureau of Land Management. However, if production has commenced on

SPECIAL CLAUSES - INCLUSION IN EXT LEASES

1. The areas included within this lease are within the Pinyon Dune Management Area. All Federal and State laws and regulations relating to carrying firearms, hunting, fishing or trapping, as well as all other regulations applicable to the area, must be complied with.

2. Lessee (permittee) will construct and maintain all roads needed for this operation on locations and to standards approved by the Forest Supervisor.

3. Settling basins or trenches as staked out by the Forest Officer, will be required in all cases where there is likely to be any overflow of water from the operation.

4. No excavations or digging will be done within 200 feet of the center line of any public road or highway, without prior approval of the excavation site by the Forest Supervisor, U. S. National Forests.

5. The permittee will prevent tailings, washing, silt, chemicals or debris from entering the north fork French Brd. River, its tributaries, or any other streams or waters, and will prevent any change in the quality of water that may be damaging to recreation, fish and wildlife, or to waterpower equipment.

6. The permittee will take measures to prevent and/or control soil erosion in a manner satisfactory to the Forest Supervisor.

Grades over 15% permitted only upon specific approval by the Forest Officer in Charge after he has determined that there is no other practicable solution and that the excessive grade will not cause undue erosion.

The distances shown in the table are maximum spacing in favorable soils. The spacing should be reduced as necessary to prevent erosion in unstable soils.

6. Maintenance:

Sufficient maintenance shall be performed to keep the drainage structures open and the roadbed reasonably smooth at all times. Avoid use of roads during extreme and prolonged wet conditions when such use would cause deep rutting and resultant erosion through accumulation of water in the ruts. Avoid the accumulation of a ridge of dirt or berm on the outside shoulder which will prevent water from shedding off the road.

7. Abandonment:

Immediately upon completion of the use of any portion of the road due to close of operations on any section of the lease area, permanent drainage shall be provided as follows:

A. Smooth the road surface to prevent rut washing or gullying and remove any high outside shoulders so as to shed water.

B. Remove open top culverts and replace them with cross ditches or water bars and reshape any existing water bars as necessary.

C. Remove all temporary culverts and bridges and open up channels through the roadbed large enough to handle the storm water and prevent water from washing down the road.

4. Grading:

A. Insofar as practicable, grading should be done between the period April 1 to December 1, and no unfinished grading left during the winter without proper protection against erosion.

B. Backslopes shall be as steep as the soil will stand so as to keep the amount of exposed soil to a minimum.

C. Excavated material shall not be deposited, directly or indirectly, into live streams.

D. Fills over 5% slope measurement and within less than 100' from live streams shall be seeded and mulched with brush or straw to prevent erosion and fertilized when necessary to insure quick establishment of vegetation.

5. Drainage:

A. Construct side ditches only where necessary to drain permanent seeps.

B. Provide adequate cross drainage to carry the flow of live streams and natural drainage courses. Fords will be permitted in locations having rock or gravel bottoms or in other locations when corduroy or gravel is used in the streambed to prevent trucks from stirring up the unstable streambed material. Spring or seep areas shall be similarly treated with gravel or corduroy unless drainage is provided by culvert and fill.

C. Sufficient open top culverts shall be installed to carry the surface run-off and to prevent accumulation of water in wheel ruts and resultant erosion. (See following Table 1 for maximum spacing of surface drains.) Water bars or dips may be substituted for open top culverts upon approval of the Forest Officer in Charge and provided they are properly constructed and maintained. Surface drains (open top culverts or water bars) should be placed at an angle of 60° to the center line of the road.

D. Culverts, dips or water bars should be so located and constructed that the outlet does not discharge in such a manner as to cause erosion or siltation of streams.

Table 1

(The following table shows the maximum permissible grades, the maximum distance permissible without break in grade, and the maximum spacing of surface drains.)

Grade	Maximum Length of Grade (feet) Without Break in Grade	Maximum Feet Between Surface Drains
Slight - 2 to 5%	Unlimited	500
Medium - 6 to 10%	1,000	300
Steep - 11 to 15%	800	200
Very Steep - 16 to 20%	500	150
Extremely Steep - 21% and over*	300	100

SPECIFICATIONS FOR TEMPORARY MINING ROADS

1. Location:

The specific location shall be approved on the ground by the Forest Officer in Charge before any construction is undertaken. Minor changes in location may be made upon mutual agreement between the operator and the Forest Officer in Charge.

The location must fit the topography and conform to the following general standards:

A. When it is necessary to closely parallel streams. Special precautionary measures will be required as hereinafter provided. In order that the silt and debris entering the stream as result of the construction and use of the road shall be held to a minimum.

B. Roads must not be located so close to active gullies that drainage from the road will enter the gully and accelerate erosion.

C. Steep side slopes and consequent heavy cuts and fills will be held to a minimum.

D. The grade will be held as low as practicable. Long, unbroken grades are to be avoided. Flat grades which do not drain will also be avoided. Maximum grades and maximum distance without break in grade shall conform to the following Table 1.

E. When sharp curves of 50 feet or less radius are necessary, especially on switchbacks and long curves, the grade on the curve must be reduced to less than the approach grade and should never exceed 10%.

F. At stream crossings, roads must dip in and out of stream channels to prevent overflow running down the roadbed during high water.

G. Landings or loading decks will be located on the upper side of the road on steep slopes and will not be permitted in stream courses.

2. Width:

The width shall be held to a minimum, preferably not more than 10 feet with the absolute maximum of 12 feet except for turnouts. Turnouts shall be not more than 18 feet wide nor 60 feet long at passing and loading points.

3. Clearing:

A. Clearing shall be kept to the minimum and shall not extend more than 3 feet outside the cut section or 2 feet beyond the shoulder on fill sections. Additional clearing to let in sun to facilitate drying of wet spots may be done upon approval of the Forest Officer in Charge. Underbrush should be cut where necessary to facilitate drying of the roadbed.

B. All trees 4" in diameter and larger within the travel way shall be cut off at a point not more than 4' from the ground so that the stem and stump can be removed separately. All other trees shall be cut close to the ground.

[illegible] Removal of Equipment, etc., on Termination [illegible] by surrender, forfeiture, or otherwise, the lessee shall have the [illegible] within a period of 90 days thereafter [illegible] from the [illegible] machinery, equipment, tools, and materials, [illegible] underground [illegible] by the lessee in or on the leased lands, [illegible] are not necessary [illegible] the [illegible] of the mine. Any materials, tools, appliances, machinery, structures and equipment, subject to removal as above provided, which are allowed to remain on the leased land shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted by the lessor, but the lessee can remove any or all of such property when so directed by the lessor.

SECTION 9. Proceedings in Case of Default. If the lessee does not comply with the applicable regulations made a part hereof or the terms of this lease and such default continues for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Bureau of Land Management. Furthermore, if the lessee fails to take prompt and necessary steps to prevent loss or damage to the mine, property, or premises, or danger to the employees, the lessor may enter on the premises and take such measures as may be deemed necessary to prevent such loss or damage, or to correct the dangerous or unsafe condition of the mine or works thereof, which shall be at the expense of the lessee, but the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

SECTION 10. Heirs and Successors-in-Interest. Each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SECTION 11. Unlawful Interest. It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4(a)(1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Section 3741 of the Revised Statutes of the United States, as amended (41 U.S.C., sec. 22), and sections 431, 432, and 433, Title 18, U. S. Code, relating to contracts, entered into and form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

[illegible] Title

[illegible] Title

[illegible]

Lessee [illegible]

Lessee [illegible]

Lessee [illegible]

[illegible] corporation, it must bear [illegible]

[illegible]. The lessor expressly reserves:

(a) Rights Reserved. The right to permit for joint or several use easements right-of-way, including easements in tunnels upon, through, or in the land leased, occupied, or used as may be necessary or appropriate to the working of the same or other lands, and the preparation and shipment of the products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Monopoly and Fair Prices. Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interest of the United States, to prevent monopoly, and to safeguard the public welfare.

(c) Readjustment of Terms. The right to reasonably readjust and fix royalties payable hereunder and other terms and conditions at the end of 20 years from the date hereof and thereafter at the end of each succeeding 20-year period during the continuance of this lease unless otherwise provided by law at the time of the expiration of any such period. Unless the lessee files objections to the proposed terms or a relinquishment of the lease within 30 days after receipt of the notice of proposed terms for a 20-year period, he will be deemed to have agreed to such terms.

(d) Waiver of Conditions. The right to waive any breach of the covenants and conditions contained herein, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular cause of forfeiture prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

SECTION 6. It is mutually agreed:

(a) Mining Methods. That this lease does not authorize the mining or removal of the mineral deposits by stripping, rim cutting or open pit methods, without the prior written approval of the authorized agency representative and on such conditions as he may prescribe.

(b) Reduction or Smelting of Ores. That the reduction or smelting of ores on the leased land is expressly prohibited in the absence of an agreement between the lessee and the authorized agency representative authorizing such use of the surface of the land and providing for the necessary protection of life and property. Such agreement shall contain all of the terms and conditions under which the reduction or smelting of ores may be carried on and any violation of that agreement shall be considered a violation of the terms of this lease for the purpose of Section 9.

(c) Uses and Disposition of Surface. That the leased land shall be subject at all times to any other lawful uses or sale by the United States, its lessees, permittees, licensees, and assigns; provided that such uses or sale shall not prevent, obstruct, or unduly interfere with any privilege granted under this lease: provided that the lessee shall recognize existing uses and commitments in the form of grazing, timber cutting, and special use permits, water developments, ditch, road, trail, pipeline, telephone line, and fence rights-of-way, and other similar improvements, and to conduct his operations so as to interfere as little as possible with the rights and privileges granted by these permits or with other existing uses.

(d) Granting Leases for Other Minerals. That the granting of this lease [illegible] preclude the issuance of other leases of the same land for the mining of other minerals with suitable stipulations as to joint operations, in order that full [illegible] of the mineral resources may be obtained.

SECTION [illegible]. Relinquishment of Lease. Upon payment of all rentals, royalties [illegible] other debts due and payable to the lessor and upon payment of all wages or [illegible] payable to the workmen employed by the lessee, the lessee may, upon [illegible] showing that the public interest will not be impaired, surrender all [illegible] division or subdivisions of the area included in the lease. In no case [illegible] terminated in whole or in part until and unless the lessee shall [illegible] for the preservation of any mines and mineral deposits or [illegible] permanent improvements on the lands covered thereby and complied with [illegible] of. A surrender must be by a relinquishment filed, in triplicate, [illegible] land office. Upon its acceptance it shall be effective as of [illegible]

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JUN 1 - 2 1952

the lease, it may be canceled only by appropriate proceedings in a court of competent jurisdiction; but this provision does not apply to leases issued for a period of five years or less which may be canceled in the manner stated above. Furthermore, if the lessee fails to take prompt and necessary steps to prevent loss or damage to the mine, property, or premises, or danger to the employees, the lessor may enter on the premises and take such measures as may be deemed necessary to prevent such loss or damage or to correct the dangerous or unsafe condition of the mine or works thereof, which shall be at the expense of the lessee, but the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

SECTION 11. Heirs and successors-in-interest. It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SECTION 12. Unlawful Interests. It is also further agreed that no Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior or of the Department of Agriculture shall be admitted to any share or part of this lease, or derive any benefit that may arise therefrom, and the provisions of Section 3741 of the Revised Statutes, as amended, and 18 U.S.C. 431, 432, and 433, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

By.....

Supervisor, Eastern States Office

WITNESSES TO SIGNATURE OF LESSEE

J. C. Dozier Jr.

Fred D. Wilson

D. S. Hasbrouck

Roger A. Frank Jr.,

Lessee.

(The reporting requirements contained in this lease have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. If this lease is executed by a corporation, it must bear the corporate seal.)

DOCKET COPY
Surname:
Anderson
Houk
Mittendorf

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

MAY 22 1956

Messrs. Fred Wilson, D. S. Hasbrouck
and Roger A. Grant, Jr.
45 King Street
Asheville, North Carolina

Re: Docket No. DMEA-4283-mica
Fred Wilson, D. S. Hasbrouck
and Roger A. Grant, Jr.
Bee Tree Mine No. 1
Transylvania County, North Carolina

Gentlemen:

Reference is made to your application for Government assistance to explore the subject property.

In reviewing your application it was noted that you did not furnish us with a copy of your lease from the Bureau of Land Management. Upon receipt of this copy of the lease, we will give further consideration to the subject application.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson:ms 5/22/56
Copy to: Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

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

RECEIVED
MAY 15 1956

May 14, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4283 (mica) A

Applicant: F. Wilson, D. S. Hasbrouck & R. A. Grant Jr.

Name and Location of Property: Bee Tree Mine No. 1, Transylvania Co., N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/8/56

Comments:

1. The applicant states the mine is a proven deposit of strategic mica and that additional reserves are assured.

2. Previous contacts by the field team with the three applicants indicates that the applicants are not competent to conduct a planned exploration program.

Recommendation:

It is recommended to deny this application on the basis that the program outlined is development, not exploration.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 9 - 1956

May 9, 1956

Re: DMEA 4283
Fred Wilson, et al.
Bee Tree Mine
Transylvania Co., N. C.
$12,500.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in building road, lowering floor and cleaning up a cut and driving 100 feet of 'tunnel' in a pegmatite which once was productive of strategic mica.

The estimated cost of the work including buildings is $12,500.00.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

May 8, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA 4283 Fred Wilson

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

May 8, 1956

Mr. Fred Wilson
43 King Street
Asheville, North Carolina

Subject: DMEA 4283
Re: Bee Tree Mine No. 1

Dear Mr. Wilson:

The receipt of your application dated April 16, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 4283 and referred to the Non-metallic 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

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

May 3, 1956

Mr. Fred Wilson
45 King Street
Asheville, N. C.

RECEIVED
MAY 7 - 1956

Dear Mr. Wilson:

Your application for aid in exploring for strategic mica at the Bee Tree No. 1 Mine in Transylvania County, North Carolina has been forwarded to our Washington office for review, in accordance with established procedure.

You will be notified in advance if a field examination is to be made.

Very truly yours,

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

RAL/sm
Opr. Com.
Lynch
Files
Shirley

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
MAY 7 - 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. 4283
Metal or Mineral Mica
Date Received May 7, 56
Estimated Cost $12,500.00
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: Fred Wilson, 45 King St., Asheville, N. C.,
D. S. Hasbrouck,
Roger A. Grant, Jr.

(*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 A part of U. S. Government tract No I266 conveyed to the U. S. by J. S. Silversteen, and located appx N. 60 W 45 chains from the confluence of Long Branch and the North fork of Frebch Broad river and more particular known as the Bee Tree Mine No I. Pisgah National Forest, Gloster Township, Transylvania County, N. C., containing 9 acres.

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

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Lessees 5 years, right to renew for like period.

(*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.

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

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

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MAY 1 - 1956
Survey
Division

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. 500 ft. to mouth of open cut from road below.

(*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. From Rosman, N. C., Highway North 2 ½ miles to Balsam Grove road 10 M to mine.

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

16—66551-1

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

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

(*c*) The work will start within 30 days and be completed within 12 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. This mine will be made a Model

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: " "

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

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

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

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

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

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

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

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

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

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

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

[X] Money [X] Use of equipment owned by you [ ] Other Labor.

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 16th, 1956

Fred Wilson
D. S. Gasbrooper
Roger A. Thar
(Applicant)

By

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

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

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

April 3, 1956

RECEIVED
MAY 7 - 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: Application - Fred Wilson, D. S. Hasbrouck and Roger A. Grant, Jr.
Bee Tree Mine No. 1, Transylvania County, N.C.

Enclosed are 3 copies of the subject application, received in this office. The fourth copy is being kept for our use.

Previous experience with all three of the applicants has convinced us that they would be unable to carry out an efficient exploration project. Certainly they should be required to complete DMEA-3265 satisfactorily before any consideration is given their new application. Even if they have a good deposit, worthy of exploration, we doubt the wisdon of entering into a contract with them.

Incidentally, this Fred Wilson is not the Fred G. Wilson of DMEA-4268.

Robert A. Laurence

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

45 King St.,
Asheville, N. C.,
April 25th 1956.

RECEIVED
MAY 7 - 1956

Mr. Robert A. Lawrence,
Denfence Minerals Exploration Administration,
Knoxville, Tenn.,

Dear Mr. Lawrence:

This Bee Tree # I Mica mine was successfully worked by hand drilling for manny years. I have known the mine for 255years and have seen Books of mica as large as dynamite boxes shot out by hand work, and as much 500 lbs., of mica with three 3 foot drill holes. The mica is flat and clear Ruby mica.

This mine was worked with open cut for I50 feet, steped up in banches and is 50 feet higher in the heading, which shows a face 25 feet high and 20 feet wide mica vein. I want to start here on the top wall side and run a tunnel for I00 feet, shooting along the hanging wall side, to explore a greater length of the vein. Also to lower the open cut I0 feet deeper, and put the entire open cut and the I00 ft., tunnel to be ready for open cut work. I have up to I0 ft., lengths of drill steel, carbon carbide inserts. I will pull I0 ft., banches. I have a I60 CFPM Ingersoil Rand Compressor, and other equiptment to successful work this mine, and will make a Model Mica Mine out of it.

I dont want you to send Shirley to head the inspection on any more of my mines to change my plans or turn them down like he did the 6 in a line on the Rocky Face Mt., when any one of them was good, he dont know a mica vein when he sees one. There is men who do know and I want you to send such men for the inspections, or come yourself.

If you want some maps, and photographs of this mine I can send them to you later, or any other information.

Yours very truly,

Fred Wilson

RECEIVED
MAY 1 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Fred Wilson, 45 King St., Asheville, N. C.,
D. S. Hasbrouck,
Roger A. Grant, Jr.

RECEIVED
MAY 7 - 1956

3. Serial No.BLM-A 036064 Lease from Bureau Of Land Management, Form 4-II00 entered into December Ist I955 for 5 years. Bee Tree, No.I. Mica Mine.

4. Worked by hand drilling open cut for I50 feet from I0 ft. at mouth to 50 ft. in heading, vein 8 to 20ft. wide dip East 70 degrees, strike N. 45 degrees East. Mountain very steep on strike of vein 45 degrees.

5.b Beginning at mouth of open cut clean out and lower I0 ft. main heading I50' on strike of the vein is appx. 50' higher than the entrance, and 50' below surface, the vein have been worked in banches , the vein the full length of the cut will be lowered I0 feet. cleaned out, properly timbered, tram car and rails. on lower level. Hoist, boom, and bucket over rim of cut for hoisting muck off of banches. and at the mouth of the tunnell to be run for I00 feet on strike of vein starting at the main heading of the open cut. the tunnel not to be less than 4 feet wide and 8 feet high, and to be on the top wallowing of the vein, taking I ft. or more of the walling and 3 ft. or more of the vein, for the exploration of the mica values. The Open cut I50 feet, and the tunnel I00 feet, 250 feet of exploration work. $50.00 a foot.$I2.500.

6. Approximate I000 feet of road to be built from main road 500 feet below. This road to be graded from that road and built to the mouth of the open cut 750.
A Tool and mica storage house to be erected at mouth of open cut 250.
b Forman, $I.75 an hr. Driller, $I.75 an hr. 2 muckers, 2 helpers $I.00 hr.
Six months to complete the project Labor. $7.200.
c Explosives, Gasoline, Oil, Steel carbon carbide, screw bits, sharpening I.200.
d I60 CFPM Ingersoil Rand Compressor. $200 per mo. 6 months I.200.
Hoist, cables, blocks, air operated, 75. " " " " 450.
Two air hammers, I sinker, I drifter, water liners, column post. owned.
Steel carbon carbide 2 ft. 4'. 6'. 8'. I0', two sets. "
400 screw bits, 4 sets of steel for screw type bits. "
Tram Car. 2 Hoisting buckets, I000 ft cable. hand tools, "
I00 ft air hose I00 ft. water hose, I" pipe, tank for water. "
$2.000.00 at .05 % X 6 600.0
Rehabatating the lower level, cleaning out muck.
Timbering, and stulls, removing overhanging rocks 850.0
Total cost of project. $I2.500;0

Dated April I6th I956.

Fred Wilson
Fred Wilson,
D. S. Hasbrouck
D. S. Hasbrouck,
Roger A. Grant
Roger A. Grant, Jr.,