DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Houk	600
22	Montenlay	100
7/22	C	220

600

JUL 22 1958

Mr. Homer V. McKinney
Route 2
Franklin, North Carolina

Re: Docket No. DMEA-4306-Mica
Homer V. McKinney
Jupiter Mine
Macon County, North Carolina

Dear Mr. McKinney:

Enclosed is the lease submitted with the subject application, which you recently requested from the Field Team, Region V.

Sincerely yours,

S

Lawrence G. Houk
Director, Division of Nonmetallic Minerals

Enclosure

LGHouk:rsi 7/22/58
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 21 1958

DATE	INITIAL	CODE
7/21	C	220
7/22	Hub	600
		225

July 18, 1958

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V

Subject: ØMEA-4306, Jupiter Mine, Macon County, N.C. (mica).
Homer V. McKinney, Applicant
Route #2, Franklin, North Carolina

Mr. Homer V. McKinney, Route #2, Franklin, N. C., has requested that the copy of his lease submitted with the application on the subject property be returned to him.

V. J. Lynch

cw

DOCKET COPY
Surname:
Anderson
Houk
Nelson
Selfridge
Johnson

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

JUL 26 1956

Mr. Homer V. McKinney
Route #2
Franklin, North Carolina

Re: Docket No. DMEA-4306-mica
Homer V. McKinney
Jupiter Mine
Macon County, North Carolina

Dear Mr. McKinney:

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,

G. O. Mittendorf

Administrator

WCAnderson:ms 7/20/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

R.C.S.

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

July 23, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: L. G. Houk, Chief, Nonmetallic Minerals Division

Subject: Evaluation of Application and Field Examination Report
Docket No. DMEA-4306 - Mica
Homer V. McKinney
Jupiter Mine
Macon County, North Carolina

Denial of application is recommended

Pegmatite: Only pegmatite on property is exposed at an old shaft, is 8 to 12 inches thick, unzoned and nearly vertical. Where applicant proposes exploration work are four adits and holes into granite, none of which expose pegmatite.

Mica: No pegmatite and no strategic muscovite found in the four adits and holes. Applicant has about 1,000 pounds of green mica he has gathered from the old shaft over a period of years. Field Team estimates that only a few pounds of 1½ inch flat mica could be sheeted from this. It is flat "A" and very locky, some up to 6 inches by 8 inches.

Old Workings: Caved in shaft 45 feet deep, 4 adits and scattered gopher holes.

Method of exploring: Applicant proposes 2 adits, each 75 feet long, and requests $3,650.00.

Comments: The Jupiter Mine was the subject of a previous denial report, DMA-1880X. Nothing essential has changed since that report was made.

Recommendation: The Nonmetallic Minerals Division and the commodity members of the Bureau of Mines and the Geological Survey concur in the Field Team's recommendation to deny this application.

Walter C. Anderson

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-4306 (mica)

Applicant: H. V. McKinney

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

Date of Field Team Report: 6/29/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/9/56

Field Team Recommendation: Recommend denial of subject application.

Comments:

1. No pegmatite or strategic muscovite was seen in the areas of proposed exploration.

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

Recommendation:

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

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 11 1956

July 9, 1956

Re: DMEA 4306
H. V. McKinney
Jupiter Mine
Macon Co., N. C.
$3,650.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a pegmatite by 2 drifts "to begin on the opposite sides of a branch and run with the vein of mica".

The property was the subject of a previous application, DMA-1880X, which was denied.

The examiners found little to indicate past, present, or expected results had, do, or will approach the favorable results related in the application.

No pegmatite and no strategic muscovite was found where the applicant proposed doing the work. Denial of the application is recommended by the examiners and the Field Team.

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 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL 2 - 1956

June 29, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4306, Jupiter Mine, Macon County, N. C. (Mica)
Mr. Homer V. McKinney, Route 2, Franklin, N. C.

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

The Field Team agrees with the recommendation of the field examiners that the application be denied.

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

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

Enclosures 4

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

RECEIVED
JUL 2 - 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REGION V

FIELD EXAMINATION REPORT, REGION V

ON

DMEA-4306, JUPITER MINE (mica)

Macon County, N. C.

BY

A. R. Taylor, Geologist
Geological Survey

and

L. E. Shirley, Mining Engineer
Bureau of Mines

June 29, 1956

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

EXAMINATION REPORT

On

DMEA-4306, JUPITER MINE (mica)

RECEIVED
JUL 2 - 1956

Applicant: Homer V. McKinney, Route 2, Franklin, North Carolina

Summary

The applicant requests DMEA assistance to explore for mica in granitic gneiss and some small granodiorite dikes. No muscovite exists in these bodies except as extremely small flakes. It is recommended that the application be denied.

Introduction

The Jupiter Mine, at the head of Tessentee Creek, 18 miles southeast of Franklin, N. C., was examined on June 19, 1956 in the company of Mr. H. V. McKinney. Five hours were spent gaining access to and examining the many workings.

The mine is in the Lickskillet area about 1.25 airline miles N. 25° W. of Scaly Mountain (Scaly, N. C., Quadrangle, 1/24,000, 167-SE).

The applicant is 71 years old and in poor health. It is unlikely that he could perform the work even if his prospects were any good.

Geology

The Jupiter Mine was the subject of a previous denial report, DMA-1880X, Macon County, North Carolina. Nothing essentially has changed since that report was made. The applicant has, however, dug more small adits and "gopher" holes into the Whiteside granite stringers and dikes. None of the many workings is in pegmatite except the old filled shaft reportedly 45 ft deep.

The pegmatite exposed at the shaft site is 8 to 12 inches thick, unzoned, and is nearly vertical. Its strike is estimated to be N. 10° - 15° W.

At a shed by the filled shaft, the applicant has an estimated 1,000 pounds of green, flat "A", very lucky, clear muscovite in the block, some up to 6 in. by 8 in. wide.

Perhaps a few pounds of $1\frac{1}{2}$ in. wide flat muscovite could be sheeted from the center of the "A" structures. About 300 pounds of stained, small (1 in. x $\frac{1}{2}$ in.) muscovite is interlocked with quartz and soda-feldspar. The applicant reports 150 pounds of that amount to have come from one of his "sympathetic veins." This apparently represents his production for the past five years.

The applicant led the examiners to four adits and holes at varying elevations (on 30 to 45 degree slopes). In that work he was looking for his "sympathetic veins" and his "mountain full of mica"; however, all his efforts were expended in weathered gneiss with some stringers of Whiteside granite or what appears to be a highly weathered quartz diorite.

Some 700 ft N. 45° W. of his cabin, is an adit called the "Evening Star Mine" in essentially the same gneissic material.

Conclusions

No pegmatite and no strategic muscovite was found in the four adits and holes in which the applicant wanted to do his work. It is strongly recommended that the application be denied.

A. R. Taylor, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

June 29, 1956

Reference: DMA-1880X, Jupiter Mine, Macon County, North Carolina
Examination Report, 1951.

DOCKET COPY
Surname:
Anderson
Houk
Martin
H. Johnson

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

600

JUN 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-4306-mica
Homer V. McKinney
Jupiter Mine
Macon 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 25, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (S/B)

WCAnderson:ms 5/31/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

Approved:

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

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

Enclosures:4

P.S. Possibly the subject Jupiter Mine is the same Jupiter Mine covered by report of August 30, 1951, by Kefton H. Teague, USGS, and A. L. Peyton, USBM, Docket No. DMA-1880X.

R.C.L.

DOCKET COPY
Surname:
Anderson
Houk
Kiilsgaard
Martin
Gehon
F. Johnson

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

JUN - 5 1956

Mr. Homer V. McKinney
Route #2
Franklin, North Carolina

Re: Docket No. DMEA-4306-mica
Homer V. McKinney
Jupiter Mine
Macon County, North Carolina

Dear Mr. McKinney:

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 advised that in this case the Government will not have the benefit of a Consent to Lien by the Owner. To protect the Government's interest it will be necessary, should a contract be approved, that you obtain a performance bond. Any action on obtaining a performance bond may be deferred pending the results of the field examination of the property.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 5/31/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

R.C.G.

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

RECEIVED
MAY 28 1956

May 25, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4306 (mica)

Applicant: H. V. McKinney

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/24/56

Comments:

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

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

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 25 1956

May 25, 1956

Re: DMEA 4306 A
Homer V. McKinney
Jupiter Mine
Mason Co., N.C.
$3,650 - 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 by drifting a pegmatite which is said to have been mined for mica 70-75 years ago. The quantity of mica produced is not stated.

The work proposed consists of two headings in the vein, one on the north side of a branch and one on the south side. Each drift, as proposed, will be 75 feet long or a total of 150 feet.

The cost estimate appears to be low.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

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

RECEIVED
MAY 23 1956

May 21, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application - Homer V. McKinney, R#2, Franklin, N. C.
Jupiter Mine, Macon County, N. C. (mica)

Enclosed are three copies of an application from Homer V. McKinney, Franklin, N. C., for exploration aid on the Jupiter Mine in Macon County, North Carolina received in this office today.

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

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

May 21, 1956

RECEIVED
MAY 23 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application - Homer V. McKinney, R#2, Franklin, N. C.
Jupiter Mine, Macon County, N. C. (mica)

Enclosed are three copies of an application from Homer V. McKinney, Franklin, N. C., for exploration aid on the Jupiter Mine in Macon County, North Carolina received in this office today.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

VJL/mm
cc:
Lynch
Shirley
Files

May 24, 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
- 4306 Homer V. McKinney

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

May 24, 1956

Mr. Homer V. McKinney
Route #2
Franklin, N. C.

Subject: DMEA-4306
Re: Exploration Assistance
Jupiter Mine

Dear Mr. McKinney

The receipt of your application dated May 18, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4306 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED MAY 23 1956

Approved. Budget No. 42-R1035.2.

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

Not to be filled in by applicant

Docket No. DMEA-4306
Metal or Mineral MICA
Date Received ~~5/24/~~ 5/23/56
Estimated Cost $3,650
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: HOMER V. MCKINNEY
Route #2
Franklin, 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 Description Attached

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

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

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

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

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

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.

(*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 Strategic Ruby 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 4 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.

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.). None

(*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?

[ ] Money [x] Use of equipment owned by you [x] 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 May 18, 1956

Homer V. McKinney
(Applicant)

By

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

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

RECEIVED
MAY 23 1956

SUPPLEMENT
Homer V. McKinney
Route #2, Franklin, N.C.

3a: Description:

Being all that tract of land in Macon County, North Carolina, described as follows:

BEGINNING at a point 2 chains due east from Forest Service C. A, Corner No. 550, and corner No. 5 to U.S. acquired tract No. 106, a stake for Corner No. 1 of the mining area; thence running due east 9 chains to corner No. 2, a stake; thence S. 30 deg. W. 29 chains to corner No. 3, a stake; thence due west 9 chains to corner No. 4, a stake; thence N. 30 deg. E. 29 chainsto corner No. 1, the place of beginning, containing 23.4 acres, more or less.

4a: The applicant is carrying on a slight operation on the site at present by himself and has constructed a shed for storing mica. An old discovery upon one part of the leased property was worked by three men 70 or 75 years ago, who found high grade ruby mica according to information obtained.

4b: The extent of production in the past is unknown; however, present samples taken indicate large ore reserve of high grade strategic mica.

4c: This property slopes gradually on eahc side of two branches in such a manner to indicate exploration in all the proposed places without shafts. There are two veins running the length of the property which are embedded in feldspar type and gives indication it would be a rich producer.

4d: This property is located 18 miles from Franklin, N. C. approximately two miles from a county maintained road, and can be easily reached over a private road by jeep.

4e: Manpower, matdrials, supplies, equipment are available in the vicinity of the proposed operations and in Franklin, N. C.

5b: The prsent proposed plans call for drifts at two locations in the proposed site of approx. 75 ft. at each location. Each drift is to begin on the opposite sides of a branch and run with the vein of mica.

5d: The applicant has had 11 years of experience in mica mining projects as the one proposed over a period of 20 years. The applicant will supervise this project.

RECEIVED
MAY 23 1956

6a: Estimated Costs:

Labor (80 working days)	
3 men at $1.25 per hr.	$2400.
Equipment :	
Air compressor (4 mos.)	400.
Jack Hammer	200.
Timbering	100.
Explosives	200.
Caps, wire, det, etc.	50.
Small tools	100.
Supplies, also nails, buckets, files, etc.	100.
Contingencies	100.
TOTAL	$3650.

MAY 21 1956

RW

Form 4-1100
(June 1953)

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

Serial No. BLM-A 033927

(North Carolina)
(State)

MICA
MINERAL LEASE - ACQUIRED LANDS

This mineral lease entered into in quintuplicate this ..... day of ....., 19.., by and between the United States of America, the lessor, through the Bureau of Land Management, and Homer V. McKinney, the lessee, of Route 2, Franklin, North Carolina, 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 10 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

Being all that tract of land in Macon County, North Carolina, described as follows:
Beginning at a point 2 chains due east from Forest Service C.A. Corner No. 550, and corner No. 5 to U.S. acquired tract No. 106, a stake for Corner No. 1 of the mining area, thence running due east 9 chains to Corner No. 2, a stake; thence S 30° W 29 chains to Corner No. 3, a stake, thence due west 9 chains to Corner No. 4, a stake; thence N 30° E 29 chains to Corner No. 1, the place of beginning,

OK

containing 23.4 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 $1.00 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 $1,000.00 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

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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

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.

Fill all shafts, tunnels, or pits and restore area satisfactory to the Forest officer in charge.

(g) Appropriate Agency Official. To address all matters relating to this section to Forest Supervisor at P.O. Box 731, Asheville, N. Carolina 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

Form 4-1100

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 C.R. Duxilius

Supervisor, Eastern States Office

WITNESSES TO SIGNATURE OF LESSEE

C. Banks Finger

Franklin, N. C.

Homer V. McKinney

Lessee.

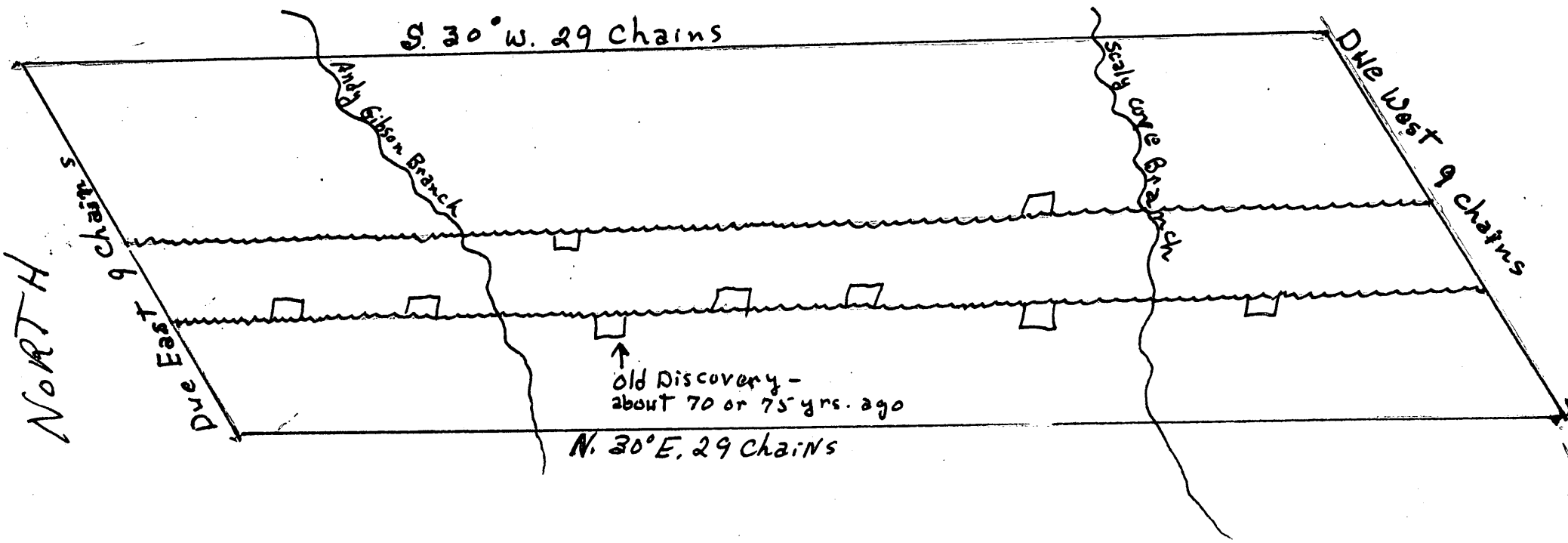
(The reporting requirements contained in this lease have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. If this lease is executed by a corporation, it must bear the corporate seal.)

Interior—Duplicating Section, Washington, D. C. 43791

Jupiter Mine - on Headwaters of Tessenta Creek - Smithbridge Township
Macon County
North Carolina

~~~~~ - Mica Veins

⊓ - Tunnels begun and Proposed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Mr. George C. Selfridge, Chairman
DMEA Operating Committee
Department of the Interior
Washington 25, D. C.