DMEA 4313

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION — DATE RECEIVED

2. CONTRACT — DATE 10-12-56

3. TERMINATION AGREEMENT: — DATE 4-3-57

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

4. CERTIFICATION — DATE

5. AUDIT REPORT — DATE

6. AMENDMENTS - NUMBERS 1 — DATE 3-20-57

Government's copy

Rubin
Dwyer
Anderson
Hook
Chamberlin
Selledge
Gordon

TERMINATION AGREEMENT

It is agreed this 3rd day of April, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Guy McCurry, John Phillips, and Sam Phillips, hereinafter called the "Operator", parties to Exploration Project Contract Idm-E1018, Docket No. DMEA-4313, dated October 12, 1956, hereinafter called the "Contract", that:

1. Effective February 22, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government will contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in Article 6 of the Contract with respect to percentage royalty and liens for its payment are preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By C V Mitteudorf
Administrator, Defense Minerals Exploration Administration

Guy McCurry
Guy McCurry, Partner

John Phillips
John Phillips, Partner

Sam Phillips
Sam Phillips, Partner

OFFICIAL FILE COPY
D M E A
RECEIVED APR 19 1957

DATE	INITIALS	CODE

cket Copy

EXPLORATION PROJECT CONTRACT

Guy McCurry, John Phillips and Sam Phillips

Docket No. DMEA-4313

AMENDMENT No.1

It is agreed this 20th day of March 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Guy McCurry, John Phillips and Sam Phillips, a partnership, hereinafter called the "Operators," parties to that certain Exploration Project Contract Idm-E1018, Docket No. DMEA-4313, dated October 12, 1956, hereinafter called the"Contract," is amended effective January 7, 1957, as follows:

To Item 3 of exhibit "A", add the following sentence:

"Similar holes may be drilled from the drifts and/or crosscuts."

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the agreed unit cost of any item of work.

UNITED STATES OF AMERICA

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

Guy McCurry
Guy McCurry, partner

John Phillips
John Phillips, partner

Sam Phillips
Sam Phillips, partner

FILE COPY
DMEA
RECEIVED MAR 27 1957

DATE	INITIALS	CODE

z

Doc[illegible] Copy

B

MF-200A
(Rev. April 1956)

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

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

DMEA No.	*Commodity*	*Contract No. Idm–E*	*County*	*State*
4313	Mica	1018	Yancey	North Carolina

OCT 1 2 1956

It is agreed ....., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and ....Guy McCurry, John Phillips and Sam Phillips.....

whose mailing address is ....C/o Sam L. Phillips
Spruce Pine, North Carolina.....
hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF–200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before ....NOV 3 0 1956....., and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within ....7..... months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $..5,876.00..... The Government will contribute ..75..... percent of the fixed unit cost of the work performed, not exceeding $..4,407.00....., in accordance with the provisions of Articles 4 and 5.

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

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

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

(c) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing

in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. Two copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. *Performance of the work.*—(a) Operator's responsibility.—The work shall be performed diligently, efficiently, expertly, in a workmanlike manner, and in accordance with good mining standards and State regulations governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work, as specified in Article 1 (a).

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

ARTICLE 4. *Contribution by the Government.*—The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5 (b); but all payments by the Government are provisional only, subject to audit, and until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been rendered, the Government may withhold such sums as it sees fit but not in excess of 10 percent of the estimated total cost of the work. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(a) Operator's records.—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

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

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

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

ARTICLE 6. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered a sufficient final report (see Article 5), may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 7. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

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

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and liens to secure the payment thereof, and such rights shall be fully preserved.

ARTICLE 8. *Notices to be given by the Government* may be delivered to the Operator or may be sent by registered mail addressed to the Operator at the mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. *Changes and added provisions.*—

.....

.....

.....

.....

.....

.....

Executed in sextuplicate the day and year first above written.

Guy McCurry

Guy McCurry ~~XXXXXX~~

~~XX~~ John Phillips

John Phillips

Samuel L. Phillips

Sam Phillips

THE UNITED STATES OF AMERICA

By O. Mitchell Dorr

Administrator, Defense Minerals Exploration Administration

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

.....

[CORPORATE SEAL]

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

Sudrutz 10/8/56

Appd. Sol. Off.

Anderson

Chambers

Selfridge

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

EXPLORATION PROJECT CONTRACT
GUY McCURRY, JOHN PHILLIPS AND SAM PHILLIPS
DOCKET NO. DMEA-4313

ANNEX I

The land referred to in Article 2 of the Contract is known as the Mitchell Branch Prospect, and is held by the Operator under a lease dated May 23, 1956, from Horace N. Higgins, Lyda Higgins and Guy McCurry. The land is located 1.23 airline miles N 11° W from the bench mark at the town square of Burnsville, Yancey County, North Carolina. It is adjacent to the headwaters of Mitchell Branch Creek on the south slope of Phillips and Rocky Knob at an elevation of approximately 3,760 feet, and is described as follows:

> "Beginning on an iron stake located at the center of the Mitchell Branch Prospect which is located North 18 degrees East 635 feet to a large Black Gum Tree, this being the property line between Horace N. Higgins and Charlie Young, as shown on deed recorded in Book #12, Page #126, Register of Deeds Office in Burnsville, N. C., and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located on the head of Mitchell Branch in Yancey County.

MF-205
(Combines and supercedes MF-[illegible] and MF-203)
June 1956

[illegible]r Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator Guy McCurry, John Phillips and Sam Phillips
Docket No. DMEA- 4313
Contract No. Idm-E 1018
Contract Date OCT 1 2 1956

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

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows: 2/ Beginning on an iron stake located at the center of the Mitchell Branch Prospect which is located North 18 degrees East 635 feet to a large Black Gum Tree, this being the property line between Horace H Higgins and Charlie Young as shown on deed recorded in Book #, 12 Page # 126, Register of Deeds Office in Burnsville, N.C., and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located on the head of Mitchell Branch in Yancey County.

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

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

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom, to secure the payment to the Government of a percentage royalty on production as may be provided for by the Contract;

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

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

none

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

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

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

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

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

Dated this _____ day of _____, 195__.

Horace H. Higgins [Seal] Burnsville, N.C. [Address]

Lydia Higgins [Seal] Burnsville, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
GUY MEGURRY, JOHN PHILLIPS AND SAM PHILLIPS
DOCKET NO. DMRA-4313
EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the map entitled "Mitchell Branch Mine, Yancey County, North Carolina, DMRA-4313 (Mica)," attached hereto and made a part hereof, as follows:

1. Construct:

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

The toolhouse may be unfloored; shall be made from unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

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

2. Sink a two-compartment vertical or inclined shaft for a distance not to exceed 70 feet.

3. From the shaft at 5-foot intervals on the dip sections of the pegmatite, using rock drill with extension steel, drill horizontal long holes, each hole not to exceed 30 feet, and the total drilling footage not to exceed 200 feet.

4. After test drilling from the shaft, drive not more than 80 feet of crosscuts and/or drifts on the structures outlined on the section.

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

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

Fixed Unit Costs

1. Construct:

Toolhouse 1/	$76.00		
Powder Magazine 1/	25.00		
Exploder Magazine 1/	15.00	$ 116.00	
2. Sink 70 feet of shaft @ $45.00/ft.		3,150.00	
3. Drill 200 feet of long holes @ $0.65/ft.		130.00	
4. Drive 80 feet of crosscuts and/or drifts @ $31.00/ft.		2,480.00	
Estimated Total Cost of Project			$5,876.00
Government Participation @ 75%			$4,407.00

1/ The completed work constitutes the unit.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Anderson	600
11/7	Houk	600
11-7	Chambers	800
11/8	Selfridge	120 ~~110~~ ~~100~~
11/8	gb	220 225

NOV 8 1957

600

Messrs. Guy McCurry, John Phillips
and Sam Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Gentlemen:

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

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

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

Sincerely yours,

Frank E. Johnson

ACTING Administrator

WCAnderson:rsi 11/6/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. and Mrs. Horace H. Higgins

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Anderson	600
11/7	Houk	600
11-7	Chambers	800
11/8	Selfridge	120
		~~110~~
		~~100~~
11/8	gb	220
		225

600

NOV 8 1957

Mr. and Mrs. Horace H. Higgins

Burnsville, North Carolina

Re: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Dear Mr. and Mrs. Higgins:

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

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

Sincerely yours,

Frank E. Johnson

ACTING Administrator

Enclosure

WCAnderson:rsi 11/6/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Anderson	600
		600
		110
		220

600

November 6, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4313-Mica
Contract No. Idm-E1018
Mitchell Branch Prospect
Yancey County, North Carolina

Application: Form MF-103 (April 1952) received May 28, 1956.

Work Proposed:

40 hours of bulldozing @ $10.00/hr.	$400.00
70 feet of shaft @ $50.00/ft.	3,500.00
80 feet of drifts @ $35.00/ft.	2,800.00
Amount requested	$6,700.00

Operators: Guy McCurry, John and Sam Phillips
c/o Sam L. Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on the Higgins property consisting of 5 plus acres, dated May 23, 1956. Consent to Lien and Subordination Agreement, undated.

2. Contract: Form MF-200A(April 1956) dated October 12, 1953

Work Authorized:

Construction - toolhouse, powder & exploder magazine	$116.00
70 feet of shaft @ $45.00/ft.	3,150.00
200 feet of long holes @ $0.65/ft.	130.00
80 feet of crosscuts and/or drifts @ $31.00/ft.	2,480.00
Estimated total cost of project	$5,876.00
Government participation @ 75%	$4,407.00

A mendments: No. 1, 3/20/57 - authorized drilling long holes from the drifts and/or crosscuts.

Work Completed:

Construction - toolhouse, powder & exploder magazine	$116.00
29 feet of shaft @ $45.00/ft.	1,305.00
60 feet of long holes @ $0.65/ft.	39.00
38 feet of drifts @ $31.00/ft.	1,178.00
Total accepted cost	$2,638.00
Government participation	$1,978.50

Contract work began on November 6, 1956, and was terminated by mutual agreement, short of completion, on April 3, 1957. Field Team Final Report received September 16, 1957. Operator's Final Report received February 25, 1957. No equipment purchased under contract.

8623

3. Audit: Report of Review issued March 29, 1957

Total accepted cost	$2,638.00
Government participation @ 75%	$1,978.50

4. Certification of Discovery - none issued. No mica of commercial value produced during project.

5. Comments:

How Conducted: All of the work in which the Government participated, while not done according to terms of the contract, was accepted for payment.

Operation: Not good. The Division of Nonmetallic Minerals questioned the Field Team's plan to explore this property and suggested an alternate program. However, the Field Team's plan was concurred in after discussion. The Field Team reported that the Operators drifted on the wrong pegmatite and ignored instructions as to direction of the drift upon two occasions but the Operators subsequently turned the drift in the right direction. The Field Team accepted and recommended for payment, all footage driven by the Operators including drilling from the level. The Division prepared an amendment for the drilling on the drift level. Thereafter, the Field Team recommended termination by mutual agreement. The Division of Nonmetallic Minerals was reluctant to grant permission to terminate, inasmuch as there were 40 feet of additional footage remaining in the contract which, it was believed, could have been used advantageously for exploring. However, upon further review, the Division concurred and termination by mutual agreement was effected.

Engineering: Reporting by Operator was acceptable.

Geologic Premise: The results anticipated were not achieved, since the Operator deviated from the plan of exploration as written in the contract.

Geologic Criteria upon which work was based:

1. Pegmatite: Unzoned, concordant, contorted, mica-bearing pegmatite 3 to 8 feet thick. Consists of weathered sodic plagioclase, disseminated quartz, garnet and muscovite.

2. Mica: Ruby, flat, and free from mineral staining, occasional reeve, books up to 6 inches across.

3. Past Production: $26,283.79 worth of mica during 1953 and 1954.

Geologic Criteria developed during project:

1. Pegmatite: Concordant, tabular-shaped, unzoned, extremely contorted, 3 to 8 feet thick, composed of medium-grained plagioclase, quartz, and rare muscovite-biotite. Enclosing rock is a quartz-biotite gneiss.

2. Mica: Reddish-brown, clear, flat, books up to 6 inches across, some reeving, cracking and ruling. None recovered during project.

Future Possibilities: Since no new structures were outlined by the work, further exploration appears unwarranted.

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

Walter C. Anderson

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 11/6/57
Copy to: Admr. R. File
Mr. Houk

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

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 2
DATE | INITIALS
10/21 | gb
11/4 | 6.E.F.

220
800
225

October 17, 1957

Memorandum

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

From: Wm. A. Beck, Mining Engineer - Knoxville, Tennessee

Subject: Royalty on DMEA-4313, Idm-E1018-Mica.
McCurry, Phillips and Phillips,
Mitchell Branch Pros, Yancey County, North Carolina

Sam L. Phillips was asked about mica sales from the subject Prospect. The GSA Mica Buying Depot in Spruce Pine, has a record of the following sale of sheet mica by the Phillips Mica Company which was said to have been produced at the Mitchell Branch Mine in Yancey County, North Carolina and the Charlie Ridge Mine in Avery county, North Carolina:

Date	Lot	Lbs.	Prelim Payment	Final	Total
8-5-57	104	36.94	$259.22	$151.15	$410.37

Mr. Phillips stated the above mica was part of a quantity of mine-run mica purchased from a Mr. Young who lives on Mitchell Branch. As the Buying Depot requires the name of the mine from which mica purchased is produced, Mr. Young told Mr. Phillips it came from the Mitchell Branch and Charlie Ridge Mines. Mr. Phillips stated the Mitchell Branch Mine was a different deposit than the subject Mitchell Branch Prospect. He further stated no mica of any commercial value had been produced during the contract and no sales had been made.

Wm. A. Beck,

WAB/zm
Opr. Com-2
Lynch
Files

Spruce Pine, North Carolina
October 16, 1957

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

Dear Mr. Laurence:

A sale of mica was made on 8-5-57 in the name of Phillips Mica Company, listing Mitchell Branch, Young and Charles Ridge as the Mines from which the mica came. This mica was not mined from the DMEA #4313, Mitchell Branch Prospect, in Yancey County. According to the information furnished to us by Mr. Clyde Young, Sr., the person we got the mica from. Mr. Young tells us that this mica comes from a mine located on Mitchell Branch in the Mitchell Branch Community.

If any mica is purchased from Mr. Young in the future, we will be more specific as to the name of the mine from which the mica comes.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

P/bj

RECEIVED
OCT 18 1957
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 18 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 10 1957

DATE		CODE
10/10	C	220
		225

October 8, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4313, Idm-E1018-Mica. Guy McCurry, et al Spruce Pine, N.C. Mitchell Branch Prospect, Yancey County, N.C.

Reference is made to your letter of October 4.

Please note that the final report states that "a composite lot of mica from the Mitchell Branch and Charlie Ridge Mines" was sold to the depot on August 5. Therefore, only part of the $259.22 initial payment is subject to royalty.

Recently, due to a "tightening up" on the grading at the Depot, many final settlements have resulted in repayment to the Depot by the seller, and if a royalty payment has been made to DMEA, then we have to make a refund. We consider it preferable to handle such payments in a single transaction, and unless the Operator has a record of delinquent payments, we do not press him for payment until he has received his final settlement.

Mr. Beck is in Spruce Pine this week and will check on the sale.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, RegionV

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/2	Anderson	600
10/3	Houk	600
10/4	GCS	130
	Johnson	130
	Montgomery	130
		110
		100
10/7	B	220
		225

600

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

OCT 4 1957

Re: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Dear Mr. Laurence:

Reference is made to the Field Team's Final Report, dated September 12, 1957, on the subject project.

The report states that the value of mica production during the project is unknown and that a total of 36.94 pounds of full trim material was sold to the GSA Depot, which brought an initial payment of $259.22. Our records indicate that no royalty has been paid. We will appreciate a report on the sale of this mica and any other mica which might have been produced during the project.

Sincerely yours,

George C. Selfridge
(by esf)

Chairman, Operating Committee

Approved:

Frank D. Lamb
(by esf)

Member, Bureau of Mines

W. P. Williams
(by esf)

Member, Geological Survey

WCAnderson:rsi 10/2/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

COPY
RECEIVED OCT 3 1957
DATE | INITIALS | CODE
10/3 | B | 220
| | 225

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

October 2, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4313 (mica)

Applicant: Guy McCurry, John Phillips, and Sam L. Phillips

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

Contract Number: Idm-E 1018

Date of Field Team Final Report: 9/12/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/18/57

Field Team Recommendation: Recommend that no certification be made

Comments:

1. A contract was approved under which 29 feet of shaft and 38 feet of drift were completed in exploring dip and plunge projection of exposed pegmatite.

2. Previous work had produced $26,283.79 worth of mica from dragfold convolutions in the pegmatite vein.

3. No new mica-bearing structures were intercepted and production was very limited.

4. Expenditures -

Total approved	$5,876.00
Total cost	2,638.00
Gov't. share of the cost	1,978.00
Value of production during operation	259.22
Royalty paid to date	None

Recommendation:

I concur with the recommendation of the field team that no certification of discovery be made.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

September 25, 1957
Re: DMEA 4313, Idm-E1018
Guy McCurry, et al
Mitchell Branch Prospect
Yancey County, North Carolina
Mica

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract approved work planned to search for another drag fold structure similar to one from which $26,283.79 worth of mica was recovered. The new work consisting of a shaft extension and drifting bottomed the main pegmatite and exposed a smaller parallel lenticular pegmatite.

The work resulted in the production of 36.94 pounds of full trim material which sold for $259.22, initial payment.

The total cost of the work was $2,638.00. Certification is not recommended.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 26 1957

DATE	INITIALS	CODE
9/26	B	220
		225

ACTION ON INITIAL
OR FINAL FIELD TEAM REPORT

Date 9-23

Referred to:

1. ~~Mr. Mittendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chamberlain~~
4. Docket Control Mails and Files
5. ~~Division~~
6. Docket Control Mails and Files
7. 600

Note comments in report regarding:

1.

2.

3.

4. Anything Eldem Murphy

and take appropriate action.

= = = = = = = =

Action taken by Division:

Division recommends different program -

Robert L. Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 12, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 16 1957

DATE	INITIALS	CODE
9-17	C	220
"	Kg	110
		130
9/23	C	220
"	Conn	100
9/25	Hunter	600

Memorandum

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

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

Subject: Final Report - Docket No. DMEA-4313, Idm-E1018 - Mica
Guy McCurry, John Phillips, and Sam L. Phillips,
Spruce Pine, North Carolina
Mitchell Branch Prospect, Yancey County, North Carolina

Enclosed are the original and two copies of the final report on the above designated contract.

We agree with the recommendation of the examiners that no certification of discovery be made.

Robert A. Laurence
Robert A. Laurence
Executive Officer

S A Feitler
S. A. Feitler, for V. J. Lynch
Member, Bureau of Mines

Field Team
Final Rpt

Enclosures 3

Reviewed by
DMEA OPERATING COMMITTEE
9-20-57
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 16 1957

DATE		CODE
		130
		220

FINAL REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT
Yancey County, North Carolina

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

and

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

September 12, 1957

Reviewed by
DMEA OPERATING COMMITTEE
9-20-57
(date)

EXPLORATION PROJECT CONTRACT

FINAL REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT
Yancey County, North Carolina

Operator: Guy McCurry, John Phillips, and Sam Phillips, Spruce Pine, N.C.

SUMMARY

The Mitchell Branch pegmatite was a moderate producer of strategic muscovite in 1953-1954. Muscovite was produced along the axes of at least two northward plunging dragfold convolutions. A DMEA contract was granted to explore the dip and plunge projection of exposed pegmatite for repetition of indicated mica-bearing structures. At its own expense, the Operator cleaned out the existing shaft, and completed 29 feet of vertical shaft and 38 feet of drift under the contract. Drift was driven northward along the intercepted keel of the pegmatite, from a point in the shaft about 56 feet below the surface. The contract was terminated short of completion because of an unwillingness to follow and subsequently an inability to find the target pegmatite. Cooperation from the operating partner, during the contract was poor. No mica-bearing structures were intercepted and production limited. No certification of discovery is recommended by the examiners.

INTRODUCTION

Location

The prospect is 1.23 airline miles N. 11° W. from the bench mark at the town square of Burnsville, Yancey County, North Carolina. It is adjacent to the head of Mitchell Branch on the wooded south slope of Phillips and Rocky Knobs at an elevation of approximately 3760 feet. The site is on the USGS-TVA Burnsville, N. C. quadrangle(200-NE), Ed. 1940, 1:24,000.

Previous Work

A series of small test pits was dug on outcropping pegmatite about 10 years ago, but was not mined extensively until 1953 and 1954. A total of $26,283.79 worth of muscovite was recovered during this last period by Mr. Milt Burleson. Pegmatite was intermittently exposed by trenching over a strike distance of at least 140 feet. A large pit at least 70 feet long, 35 feet wide, and a maximum of 20 feet deep has been excavated normal to the slope at the northern end of the exposure. A 60 foot deep adit has followed the axis of a mica-rich convolution southwest up-plunge from the head of the pit. A vertical 21 x 9 x 32 foot deep cut was excavated in the bottom of the north end of the pit and an inclined drift driven from the cut an unknown distance to the southwest, following a second mica-rich dragfold convolution, which asymmetrically dies out and becomes barren to the northeast.

Contract Work

Contract work began on November 6, 1956, and was terminated by mutual agreement, short of completion, on April 3, 1957. The Operator constructed a standard toolhouse and powder and exploder magazines, but a jeep access road had been constructed prior to the prospect examination. The shaft, near the north end of the big cut was pumped and mucked out to a depth of about 38 feet below the surface at the Operator's own expense. From the bottom of the old shaft, 29 feet of vertical shaft was sunk until all pegmatite exposed in the shaft had bottomed. The target pegmatite bottomed about 55 feet below the surface, but a smaller lenticular-shaped body was followed until it had pinched out at a depth of about 66 feet.

A drift level was started to the northeast along the keel of the target pegmatite at a depth of about 56 feet below the surface. From the shaft, 24 feet of drift was driven N. 17° E. on a barren feldspathic lens of pegmatite which was found during shaft sinking. This was in spite of repeated and specific instructions from the field examiners to turn the drift to the right to get back on the target pegmatite. An additional 14 feet of drift was driven N. 55° E. after the marginal pegmatite began to pinch out. This is a total of 38 feet of drift completed under the contract.

A total of 60 feet of percussion test hole drilling was completed, 42 feet in the shaft section and 18 feet from the drift level as shown on the report map.

After pinching of the marginal pegmatite at the 24 foot point in the drift, the operating partner began to agitate for termination of the contract. In light of his unwillingness to carry out the plan of exploration and with every indication of excellent strike-length continuity of the target pegmatite, termination was not believed to be justified. An additional 14 feet of drift to the northeast cutting obliquely across the foliates, brought the heading to the strike projection of pegmatite exposed in the shaft section (see map). A 6 foot test hole from this heading to the southeast and normal to the strike reportedly cut no pegmatite. Although a deeper hole would have been desirable, the absence of pegmatite suggested that the structure had pinched out and on this basis, Dip irregular (See next page) Poor excuse termination was recommended. At this time, extension drill steel was not available. Cooperation from the operating partner during the contract period was poor, both in following the exploration plan and in providing safe access as instructed.

GEOLOGY

A concordant tabular-shaped pegmatite 3 to at least 8 feet thick has been exposed by mining and exploration efforts for at least 150 feet along strike. The structure strikes N. 30 - 45° E. and is essentially vertical, although extremely contorted in the dip section by asymmetrically developed dragfolding. The enclosing foliates are composed of well-banded biotite or quartz-biotite gneiss with some migmatitic stringers. Concentrations of quarts-muscovite appear to be structurally localized along the axes of the dragfolding which has an indicated plunge of 10 to 20° northeast. The shape and attitude of the old workings as well as remnants of pegmatite in the adit and drift reflect and indicate this relationship. A parallel, concordant pegmatite was cut in the northwest wall of the lower shaft and is fairly well defined by the test drilling as well as the drift work. The structure is completely barren of muscovite and appears to be a steeply inclined northeast plunging lens not more than 6 feet thick, approximately 35 feet in vertical extent and of unknown extent in the plunge or longitudinal dimension.

Both pegmatites are essentially unzoned, and composed of medium-grained plagioclase, with minor interstitial quartz and rare muscovite-biotite. Greatly increased proportions of quartz-muscovite-biotite with minor garnet and rare apatite, are found along the axes of the well-developed dragfold, mostly under the overhanging contact.

Muscovite is a reddish-brown color and is generally clear, flat, and in books up to 6 inches across, although the average is probably closer to 2 x 3 inches. Some reeving, cracking, ruling and a minor amount of

mineral staining was noted. Only a small amount of block was recovered during the contract period, but exactly how much is not known. A composite lot of mica was sold to the GSA depot from the Mitchell Branch and the Charlies Ridge mines on August 5, 1957 by the Phillips Mica Company. A total of 36.94 pounds of full trim material was sold, which brought an initial payment of $259.22, final payment not having been received.

CONCLUSIONS AND RECOMMENDATIONS

The subject pegmatite was explored down to and below its keel or bottom, as well as to what appears to be its northeastern limits. Mica-bearing pegmatite appears to be localized along the axes of well developed northeast-plunging dragfolding of the pegmatite contacts. No new structures were outlined by the contract work and very little muscovite recovered. The contract work was marred by a conflict of opinion as to the direction of the work which was clearly outlined in "Exhibit A" of the contract. The field examiners can see no basis for recommending certification of this project as a discovery.

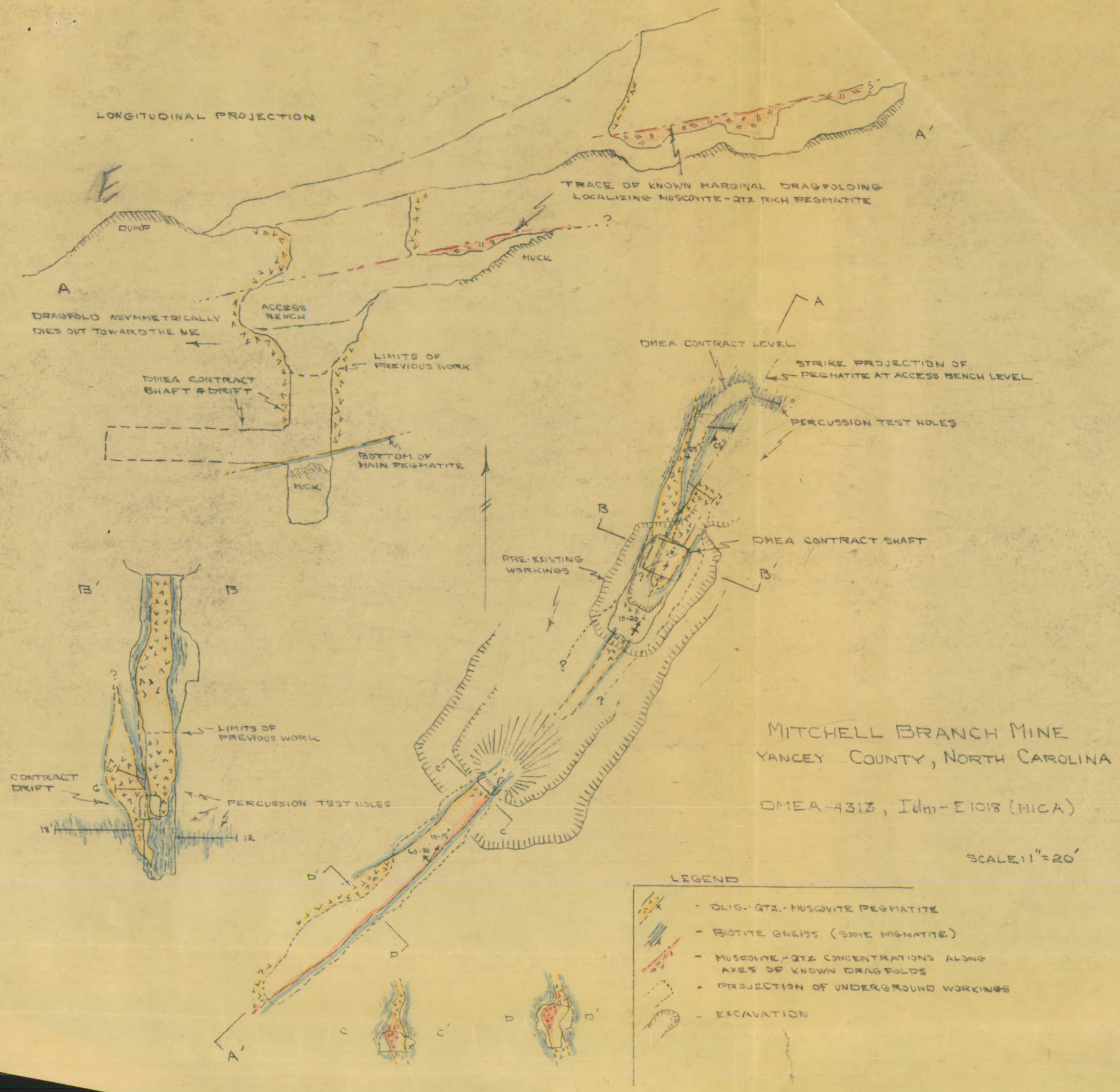
EXPENDITURES

(a)	Total approved	$5,876.00
(b)	Total cost of project	2,638.00
(c)	Government's share of cost	1,978.00
(d)	Government's share unexpended	2,428.00
(e)	Value of production	Unknown
(f)	Royalty paid to date	None

Sept. 12, 1957

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

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


LONGITUDINAL PROJECTION
E
DUMP
A
A'
TRACE OF KNOWN MARGINAL DRAGFOLDING
LOCALIZING MUSCOVITE-QTZ RICH PEGMATITE
MUCK
DRAGFOLD ASYMMETRICALLY
DIES OUT TOWARD THE NE
ACCESS
BENCH
LIMITS OF
PREVIOUS WORK
DMEA CONTRACT
SHAFT & DRIFT
BOTTOM OF
MAIN PEGMATITE
MUCK
DMEA CONTRACT LEVEL
STRIKE PROJECTION OF
PEGMATITE AT ACCESS BENCH LEVEL
PERCUSSION TEST HOLES
B
B'
DMEA CONTRACT SHAFT
PRE-EXISTING
WORKINGS
LIMITS OF
PREVIOUS WORK
CONTRACT
DRIFT
PERCUSSION TEST HOLES
18'
12
D'
D
C
C'
A'
MITCHELL BRANCH MINE
YANCEY COUNTY, NORTH CAROLINA
DMEA-4313, Idm-E1018 (MICA)
SCALE: 1" = 20'
LEGEND
- OLIG.-QTZ.-MUSCOVITE PEGMATITE
- BIOTITE GNEISS (SOME MIGMATITE)
- MUSCOVITE-QTZ CONCENTRATIONS ALONG AXES OF KNOWN DRAGFOLDS
- PROJECTION OF UNDERGROUND WORKINGS
- EXCAVATION

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 16 1957

DATE	INITIALS	CODE

OFFICIAL FILE COPY
D M E A
RECEIVED SEP 16 1957

DATE	INITIALS	CODE

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 19 1957

DATE	INITIALS	CODE
4/19	C	220
		225

April 17, 1957

Memorandum

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

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

Subject: Termination Agreement on DMEA-4313, Idm-E1018 (Mica)
Mitchell Branch Mine, Yancey County, North Carolina.

Transmitted are three signed copies of the subject termination agreement signed by the partners of the company.

The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/2	Anderson	600
4/2	Houk	600
4-2	Chamberlin	300
4/3	Johnson	110
"	Mitchenlow	100
4/4	C	220

600

APR 4 - 1957

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

Re: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Selfridge 130

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of March 19, 1957, reaffirming the recommendation for termination of the subject contract by mutual agreement.

Enclosed are the original and five copies of a proposed termination agreement signed by the Administrator for the Government. Two extra copies are enclosed for the use of the Field Team. If the proposed termination agreement meets with your approval, present it to the operators for execution.

If any part of this agreement does not have your approval or that of the operators, and cannot be amended within your delegated authority, then the original and all copies are to be returned to this office, together with the proposed changes for consideration.

After execution of the termination agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 8

WCAnderson:gad 4/2/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

220

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

April 3, 1957

Memorandum

To: Catherine Curtin, Statistics and Control Division

From: Hazel Berry, Operating Committee

Subject: Amendment to Contract

Attached is the following docket copy of an amendment to a contract which has been reviewed and approved by the commodity division and the Contract Administration and Audit Division. No clearance by Legal appears necessary.

McCurry, Phillips & Phillips, DMEA-4313, Idm-E1018, Amendment No. 1.

Attachment-1

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

April 2, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Amendment No. 1 - Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

The Nonmetallic Minerals Division concurs in Amendment No. 1 to the subject contract as written and executed in the field. This amendment allows the drilling of long holes from the drift as well as the shaft.

Amendment No. 1 is necessary since the uncertain position of the pegmatite required these holes in order to guide the work.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/29	Talbert	800
4/1	C	220
		220

MAR 29 1957

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

Re: Docket No. DMEA-4313 (Mica)
McCurry, Phillips, and Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Dear Mr. Laurence:

Enclosed are the original and two copies of a Report of Review covering the above-cited Exploration Project Contract.

If you concur with the facts stated therein, the original and one copy of the Report of Review should be forwarded to the Certifying Officer and one copy should be retained in your files. If, for any reason, the Report of Review does not have your concurrence please return all copies thereof to this Division.

Sincerely yours,

(Signed) E. D. Talbert

E. D. Talbert, Acting Achief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
March 29, 1957

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

8623

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

EXTRA COPY
DMEA
RECEIVED MAR 28 1957

DATE	INITIALS	CODE
3/28	C	220
		225

March 26, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4313, Idn E1018 (Mica) McCurry, Phillips & Phillips
Mitchell-Branch Prospect, Yancey Co., N. C.

Reference is made to your letter of March 22.

There were actually three holes, each six feet long, drilled from the drift, as stated in the interim report of February 21. The error in our March 19 memorandum resulted from the omission of one of these from the sketch map. Therefore, the total of 60 feet of test-holes is correct, and as we have forwarded the fully executed amendment providing for drilling from the drift, we are accepting and approving 60 feet of drilling.

Total costs claimed by the Operator in his February 1957 MF-104 are:

Drilling	$ 39.00
Drifting	1178.00
Shaft Sinking	1305.00
New Bldgs.	76.00
Magazines	40.00
Total	$2638.00

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

RAL/as
cc
Opr. Com. 2
Laurence
Lynch
Shirley

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 27 1957

DATE	INITIALS	CODE
3/27	C	220
	esf	130
	D	220

March 25, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Amendment No. 1. DMEA-4313, Idm-E1018 (mica)
McCurry, Phillips & Phillips, Spruce Pine, N.C.

Transmitted are three signed copies of the subject Amendment.

This amendment was necessary because the uncertain position of the pegmatite required drilling these holes in order to guide the work.

Robert A. Laurence

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Talbert	800
3/23	C	820
		225

MAR 22 1957

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

Re: Docket No. DMEA-4313 (Mica)
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Dear Mr. Laurence:

Your memorandum of March 19, 1957, replying to mine of March 12, 1957, indicates that the work performed by the referenced Operator and accepted by the Field Team included 42 feet of drilling from the shaft and 12 feet of drilling from the drift, or a total of 54 feet of drilling.

The third paragraph on page 2 of your March 4, 1957, memorandum to me states that 18 feet of holes were drilled from the drift. The interim report of February 21, 1957, by L. E. Shirley and S. C. Bergman indicates that 18 feet were drilled from drifts and 42 feet were drilled from the shaft, or a total of 60 feet. Also, the Operator's final narrative report dated February 22, 1957, states that a total of 60 feet of test holes were drilled.

In view of this discrepancy reaffirmation of the footage of test holes drilled is requested.

In your reply advice as to total costs claimed by the Operator for all project work, as indicated in the "Totals to Date" column of the February 1957 MF-104, would be appreciated. During our recent review of this project we failed to note this figure on our audit work papers.

Sincerely yours,

(Signed) E. D. Talbert

for Jay L. Chambers, Chief
Contract Administration
and Audit Division

EDTalbert/wb
March 22, 1957

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

8623

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE
3/21	C	220
		225

March 19, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4313, Idm-E1018 (mica) Guy McCurry, John and Sam Phillips, Spruce Pine, N. C.
Mitchell Branch Prospect, Yancey County, N.C.

Reference is made to your letter of March 12.

Attached is a sketch map showing the workings at the Mitchell Branch Prospect as they were on February 21, 1957, when the Field Team Examiners and the Operator agreed that the project should be terminated.

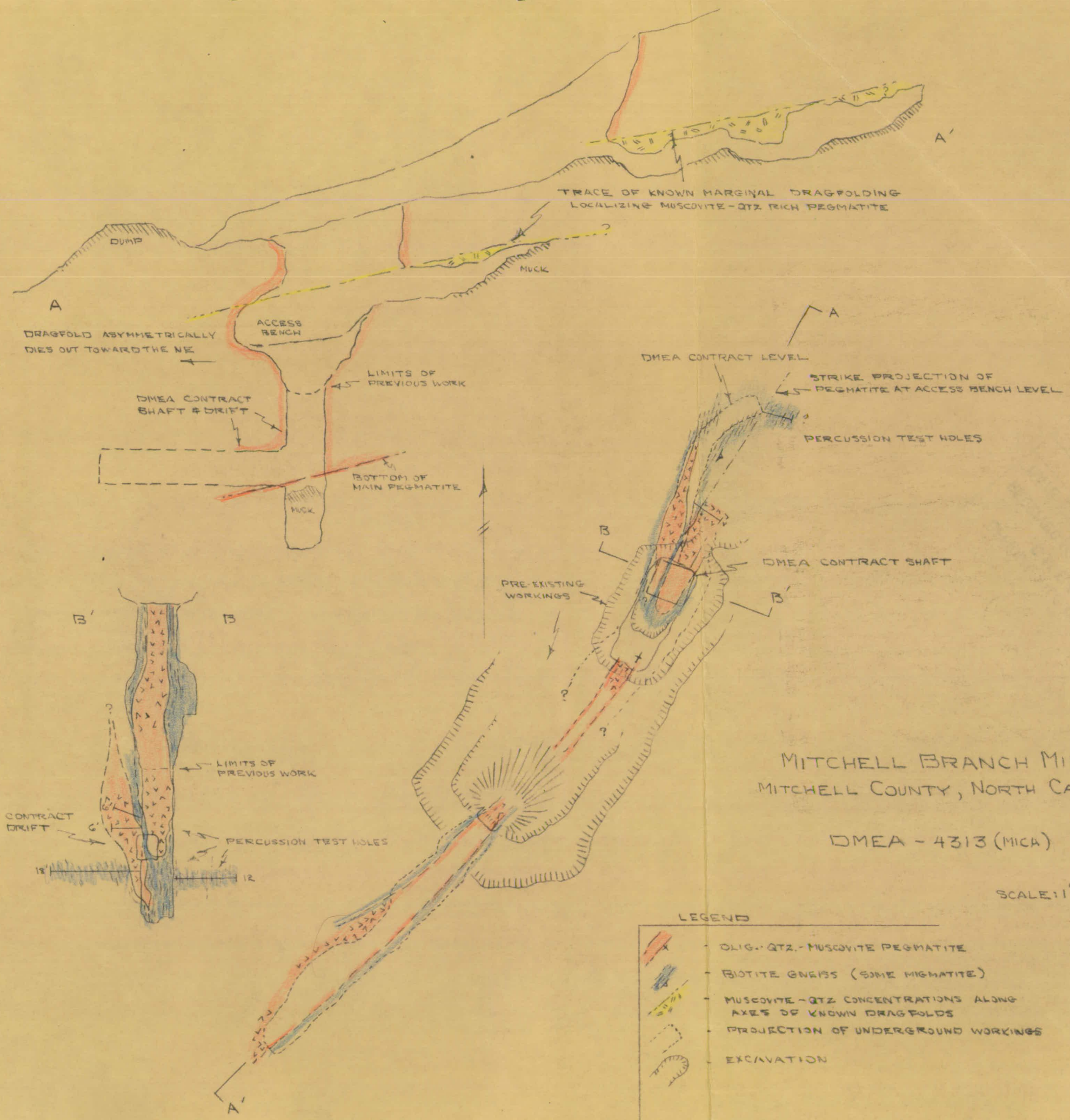
After re-checking the contract map and subsequent data, it is obvious why you thought the pegmatite had not been adequately explored. In fact, we are somewhat red-faced about not having caught the discrepancy and reported it to you earlier. You will note that the present map is rotated 180° from the contract map, so that north is now here south used to be. The objective of the project has been to explore the northeast-plunging extension of the shoot shown on the section in yellow. The hole drilled from the heading of the drift shows rather conclusively that not only the mica shoot but the entire pegmatite has pinched out at that location, thus further drifting to the northeast on the main pegmatite does not seem justified.

Therefore, we reaffirm our recommendation for termination effective February 22, 1957.

We will prepare an amendment authorizing drilling the holes from the drift, as suggested in the third paragraph of Mr. Chamber's letter of March 12.

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

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA-Reg. V



MITCHELL BRANCH MINE
MITCHELL COUNTY, NORTH CAROLINA

DMEA - 4313 (MICA)

SCALE: 1" = 20'

SCB 3/57

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 21 1957
DATE | INITIALS | CODE

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

March 19, 1957

RAL/mp
cc; Lynch
Opr. Com.
Files

Memorandum

To: Jay L. Chambers, Chief Contract Admin. & Audit Div.

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

Subject: DMEA-4313, Idm-E1018(mica) Guy McCurry, John Phillips, and Sam Phillips. Mitchell Branch Mine Yancey County, N. C.

Reference is made to your letter of March 12.

The Field Team representatives advised the Operator to continue the drift he had started, but to bear it to the right so as to intersect the main pegmatite. This appears to us to constitute acceptance of the work already done, especially as exhibit "A" of the contract authorizes work on the "Structures outlined on the section."

We will prepare an amendment authorizing the drill holes from the drift.

As suggested in the last paragraph of your letter, we will withhold payment on the February MF-104 until the project is either formally terminated or completed.

If the project is terminated, effective February 22, 1957, as requested in our memorandums of March 1, 1957 and March 19, 1957, the following units will have been performed and accepted:

Construction of toolhouse, powder and exploder magazine.
Shaft sinking--29 feet
Drifting --38 "
Drilling, from shaft 42 feet
Drilling, from drift 12 feet

EXTRA-COPY

DMEA
RECEIVED MAR 21 1957

DATE	INITIALS	CODE
3/21	C	226
		225

Robert A. Laurence
Executive Officer, Region V

V. J. Lynch, Member
Bureau of Mines

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/11	Houk	600
3/11	Selfridge	130
"	[illegible]	110
"	[illegible]	100
		220

600

MAR 12 1957

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

Re: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Dear Mr. Laurence:

Reference is made to your memorandum of March 1, 1957, to the Operating Committee requesting permission to terminate the subject contract by mutual agreement, and stating that no certification would be recommended.

We are reluctant to grant permission to terminate the subject contract because the main pegmatite has not been adequately explored. About 40 feet of drifting remains under the contract that might be used for driving on the main pegmatite from about the 12-foot mark in the present drift. We would appreciate receiving your comments with respect to doing such work and the possibility of making a significant discovery.

It is suggested that Mr. Sam Phillips be advised that contracts are not terminated in the field without Washington approval.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (DHB)

Approved:

P. F. Yopes (DHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (DHB)
Member, Geological Survey

LGHouk:gad 3/11/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

600

OFFICIAL FILE COPY

Date	Surname	Code
3/8	Houk	600
		130
		110
		100
		220

Bishop

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

Re: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina
Contract No. Idm-E1018

Dear Mr. Laurence:

Reference is made to your memorandum of March 1, 1957, to the Operating Committee requesting permission to terminate the subject contract by mutual agreement, and stating that no certification would be recommended.

We are reluctant to grant permission to terminate the subject contract because the main pegmatite has not been adequately explored. It is our suggestion that the Operators apply the remaining footage to exploration of the main pegmatite from the drift level. It is ~~also~~ suggested that Mr. Sam Phillips be advised that contracts are not terminated without in the field ~~but must have~~ Washington approval.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

LGHouk:gad 3/8/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/11	Talbert	808
3/11	Hank	220
3/11	Sellwig	220
"	[illegible]	120
"	[illegible]	100
3/12	C	220

MAR 12 1957

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 1, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-4313 (Mica)
Guy McCurry, John Phillips,
and Sam L. Phillips
Mitchell Branch Prospect
Yancey County, N. C.
Contract No. Idm-E1018

Dear Mr. Laurence:

By memorandum dated March 4, 1957, you forwarded the enclosed copies of the Operator's February 1957, MF-104, MF-104A and narrative, and the Field Team's interim report of February 21, 1957, pertaining to the referenced project and requested an audit review thereof.

The question as to the footage of drifting, to which the Government may properly contribute in this case, can be resolved only by a determination of the extent of the Government's approval of such work, as specified in the last paragraph under the description of the work in Exhibit "A" of the contract. If during the several visits of Field Team representatives to the project the Operator was advised that the work was acceptable, then it would appear that we have no alternative but to contribute to the footage claimed. On the other hand, if the Field Team representatives properly advised the Operator that the work was not acceptable or that the Government would not contribute to drifting not following the main pegmatite, as instructed, contribution by the Government to such unapproved work may not be made. Advice as to the extent of the Field Team representative's approval or acceptance of the drifting would be appreciated.

Relative to the three holes drilled from the drift, the question arises as to whether such drilling was done at the request, or under the instruction of, the Field Team representatives. If it was, then the contract should be appropriately amended and payment made for such holes. If not, the Government should not contribute to these three holes. Your further advice in this regard would be appreciated.

8623

It is suggested that payment on the February 1957, MF-104 be withheld until the project work is formally terminated in accordance with your recommendation, or the remaining contract drift footage is completed, and a Report of Review is released. A Report of Review will be prepared promptly after completion, or formal termination, of the work and receipt of the pertinent communication furnishing the information specified in my letter of January 9, 1957, to all DMEA auditors, subject: Instructions on the Release of Audits and Reports of Review, as promulgated for compliance by the Operating Committee's letter to you under date of January 17.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb
March 8, 1957

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 15 POST OFFICE BLDG.
KNOXVILLE 2 TENN.

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 6 1957

DATE	INITIALS	CODE
3-6	C	220
3/7	EOJ	800
		225

March 4, 1957

Memorandum

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

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

Subject: Operator's Final Report
Docket No, DMEA-4313, Contract Idm-E1018 (Mica)
Guy McCurry, John Phillips and Sam Phillips
Mitchell Branch Prospect, Yancey County, N. C.

Enclosed are four copies of the Operators' final report on the subject contract, for which permission to terminate has been requested. Please refer also to our memorandum of March 1.

Robert A. Laurence

Robert A. Laurence
Executive Officer

W. A. Beck

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

Enclosures 4

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 6 1957

DATE	INITIALS	CODE
		220

Spruce Pine, North Carolina
February 22, 1957

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

Re: DMEA-4313, Idm-E 1018, Mica
Mitchell Branch Prospect
Final Report

Dear Mr. Laurence:

We began work on the above prospect November 1, 1956, and the contract was terminated on February 21, 1957.

In November we moved in equipment, sat up powder and exploder magazines and constructed toolhouse, and completed 10' of shaft work. In December we completed 19' of shaft, making a total of 29'. We drilled 40' of long test holes, we hit approximately 3' of vein, but found no mica. In January we drilled 2' more test holes and completed 20' of drift. In February we drilled 18' test holes making a total of 60', we completed 18' of drift making a total of 38' of drift, contract was terminated at this point by mutual agreement of parties.

We wish to thank the field team for their assistance on the Mitchell Branch Prospect. If further details are necessary, please contact us.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

P/j

RECEIVED
FEB 25 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1015, POST OFFICE BLDG.
KNOXVILLE 2, TENNESSEE

EXTRA COPY DMEA RECEIVED 8 1957		
DATE	INITIALS	CODE
3-6	C	220
		225

March 4, 1957

Memorandum

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

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

Subject: DMEA-4313, Idm-E1018-Mica. Guy McCurry, John Phillips and Sam L. Phillips. Mitchell Branch Prospect, Yancey County, N. C.

Enclosed are one copy each of the following:

Operator's final MF-104 and 104A
Operator's final Report
Field Team Interim report, Feb. 21, 1957

We are submitting this final voucher for your review before approving it for payment, as there are some problems involved.

At the time the shaft was bottomed, the main pegmatite was exposed in the right-hand side of the shaft(looking NE), with another pegmatite on the left, separated by a foot or so of biotite gneiss. The Field Examiners instructed Mr. McCurry, who was doing the work, to follow the right-hand pegmatite, which was the target originally proposed in the contract.

On January 21, they found that he had ignored these instructions and had drifted 12 feet on the northwestern pegmatite, which may be a branch of the main one. As the main pegmatite was only 3.5 feet to the right of the right-hand wall, they told the Operator to turn the drift to the right and get back on the target pegmatite.

On February 6, the Examiners found that the Operator had continued to drift for another 17 feet along the northwesterly branch of the pegmatite, and again gave instructions for him to turn the drift and get on the main pegmatite which, by now was more than six feet from the right-hand wall of the drift.

On February 21, when the Examiners again inspected the project, the drift had been turned to the right at about a 35-degree angle and driven for 14 feet in biotite gneiss. At the 38-foot heading, a test hole was drilled six feet into the southeast wall, and according to the Operator, did not cut any pegmatite. No cuttings were available for inspection at the time of the examiners' visit. The Operator wanted to quit, because of the pinching out of the northwest branch of the pegmatite and the apparent complete absence of the main pegmatite at that point. The Examiners agreed to request termination.

The next day, the Operator submitted his final report and voucher, which arrived here before the field examiners had come in and submitted their request for termination. Undoubtedly all equipment has been removed from the mine and the project abandoned. Based on the data available to us, we will recommend termination at this point.

Our question now is, how much of the drifting can be paid for under the contract? Although it could be argued that the examiners should have stopped the work on their February 6 visit and required the Operator to return to the 12-foot point in the drift and turn it there to follow the main pegmatite (disallowing payment for all advance beyond 12 feet on the northwest branch), the decision to continue from the 29-foot heading to intersect the pegmatite at about 40 feet, where there was every reason to expect it to be, was a logical one. As this decision was made in an attempt to regain the original target with a minimum of additional work, and the instructions given by the field men were, in this instance, carried out, we are inclined to favor payment for all the drifting and crosscutting if the language of the contract permits it. The 18 feet of holes drilled from the drift is not provided for in the contract, and would not have been needed if the Operator had followed the original instructions; therefore we do not favor payment of this item.

This case is an extreme example of a common difficulty which we experience on mica projects. Although there are three partners on this contract, McCurry is doing the work and contributing his labor while John and Sam Phillips provide the Operator's share of the money. Apparently McCurry went on his own and ignored the instructions of his partners as well as those of our field examiners. As we can, at best, inspect these projects only once every two weeks, a lot of unauthorized work can be done between visits. As in this case, the Operator often has some justification (in his own mind, at least), as he was following a pegmatite, but according to the geologists it was not the one most likely to yield strategic mica. It should also be

recognized that hindsight is clearer than foresight, and on both the January 21 and February 6 visits the Field Examiners recommendations appeared at that time to be the best course of action. On at least two occasions, they arrived at the mine after Mr. McCurry and the crew had left for the day, so they gave instructions to Mr. Sam L. Phillips. Either these instructions were not relayed to Mr. McCurry or they were ignored by him.

We will withhold payment of the final voucher until we hear from you.

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

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

RAL/zm
cc
Opr. Com.-3
Lynch
Shirley
Files

ACTION ON INTERIM
OR FINAL FIELD TRANSPORT
Date 3-4

Referred to:

1. ~~Mr. Hartnett~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. Non-Metallic Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Mutual termination recommended.
2. See last # F.T.
3. Comments
4. Test holes on wall & face of cliff not authorized by contract; also final 26' of cliff not in accord with specifications and take appropriate action. Talbot 3/1/57

- - - - - - - -

Action taken by Division

Letter to F.T. suggesting work on main pegmatite

Robert E. Adams

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

March 1, 1957

Memorandum

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

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

Subject: Docket No. DMEA-4313, Contract Idm-E1018 (Mica)
Guy McCurry, John Phillips, and Sam Phillips
Mitchell Branch Mine, Yancey County, North Carolina

Enclosed are four copies of the latest interim report on the subject contract.

Permission to terminate by mutual agreement, effective February 22, 1957 is requested. Certification will not be recommended.

A detailed account of progress on this project is being sent to Mr. Chambers with a copy of the Operator's final voucher requesting a review before approval of payment.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

OFFICIAL-COPY
~~WORK COPY~~
DMEA
RECEIVED MAR 4 1957

DATE	INITIALS	CODE
3/5	Corr	100
3/8	Hoole	

Enclosures 4

INTERIM REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips, and Sam Phillips, Spruce Pine, N. C.

Location: 1.23 airline miles N11°W from the town square of Burnsville, Yancey Co., N. C.

Termination of this contract by mutual consent of both parties is recommended by the Field Examiners because of the absence of pegmatite in the last 14 feet of work and the inability to contact pegmatite by test hole drilling.

Work completed under contract consisted of building a tool house, powder magazine, and exploder magazine, sinking 29 feet of vertical shaft from an existing 33 foot shaft (partially muck-filled), driving 38 feet of drift and crosscut, and drilling a total of 42 feet of test holes from the shaft. The shaft was bottomed because of the apparent termination of the body at 29 feet. Turnoff was made from the 25 foot shaft level in pegmatite, and the following level work completed: 24 feet were driven N17°E in pegmatite, barren of mica, and the last 14 feet were driven N55°E in country rock, a biotite gneiss. Two test holes were placed in the southeast wall of the drift as follows: at 12 feet from the shaft, a 6 foot horizontal hole was drilled in a S55°E direction that cut 1 foot of gneiss, followed by 5 feet of pegmatite; at 24.5 feet from the shaft a 6 foot hole was drilled in a S85°E in biotite gneiss. Another 6 foot hole was reportedly drilled in the present face which cut only biotite gneiss; direction of this hole is unknown.

The Operator did not follow closely the Field Examiners instructions as outlined in the two previous interim reports. He was

instructed to start making a gradual turn in a more northeasterly direction at a point 12 feet from the shaft, but continued driving his drift following pegmatite to 24 feet before starting his turn. It is not known if the pegmatite on the other side of the inclusion in the face at the 12 foot point contained strategic mica, but the Examiners thought that it should have been investigated, hence the reason for the instructions as given.

L. E. Shirley

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

S. C. Bergman

S. C. Bergman and E. L. Boudette
Geologists, U. S. Geological Survey

February 21, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 4 1957

DATE	INITIALS	CODE

RECEIVED
FEB 18 1957
D.M.E.A.

INTERIM REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips, and Sam Phillips, Spruce Pine, N. C.

Location: 1.23 airline miles N. 11° W from the town square of Burnsville, Yancey County, North Carolina

The Operator has started his drift about 10 feet above the bottom of the shaft and about 2 feet below the bottom of the main pegmatite. A previously unknown pegmatite parallel to the main structure was cut in the northwest wall of the new shaft work. Its bottom was intercepted near the bottom of the present shaft. To date, the Operator has completed 29 feet of new shaft from the bottom of the old works, and 29 feet of drift, 19 feet N. 10° E. and 10 feet N. 30° E. The Operator has followed the pegmatite cut in the northwest wall of the shaft instead of the main pegmatite as he was instructed to do. He has started turning his drift to the right to intercept the main structure and has drilled several test holes into it to confirm its presence. The pegmatite bottom and included rolls or marginal dragfolding all plunge about 20° to the northeast. The drifting is aimed at cutting the pegmatite as it plunges to the northeast and any possible mica-bearing convolutions which appear to be parallel to this plunge.

The present drift work is about 51 feet below the surface and in a direction which has been previously unexplored. Progress on this contract is satisfactory, but shaft access is and has been difficult. Conditions in this respect should improve as blasting is removed from the shaft area.

S. C. Bergman, Geologist, USGS
E. L. Boudette, Geologist, USGS
Wm. A. Beck, Mining Engineer, USBM

Inspected February 6, 1957

RECEIVED
FEB 11 1957
D.M.E.A.

INTERIM REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips, and Sam Phillips, Spruce Pine, N. C.

Location: 1.23 airline miles N11°W from the town square of Burnsville, Yancey Co., N. C.

Shaft sinking has been completed on this contract, and a drift level turned off in a N15°E direction. The drift advance measured 12 feet in feldspathic pegmatite, barren of mica, and containing scattered quartz. The Operator was advised to cut across a 3.5 foot biotite gneiss inclusion in the present face and work in pegmatite on the southeast side of the present drift. The body appears to plunge northeast, and instructions were given for continued work in the same direction.

The Operator was also advised that additional timber work is necessary in the shaft, and that new ladder sections should be installed immediately. Progress on this contract has been satisfactory.

L. E. Shirley

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

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

January 21, 1957

RECEIVED
JAN 22 1957
D.M.E.A.

INTERIM REPORT

DMEA-4313 Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips and Sam Phillips, Spruce Pine, N. C.
Location: 1.23 airline miles N11°W from the town square of Burnsville, Yancey County, North Carolina

Shaft sinking has been in progress on this contract and now totals 29 feet of new work. This places the present bottom at a point 68 feet below the original surface. Pegmatite has been followed to near bottom but has thinned considerably in the last 10 feet of shaft work. At the time of the last visit the operator was instructed to drill percussion drill test holes in the northwest and southeast sides of the shaft. Four holes were drilled for a combined length of 42.0 feet as follows: Hole No. 1 12.0 ft., horizontal in SE wall at 20.5 ft. level - cut biotite gneiss and pegmatite stringers; Hole No. 2 18.0 ft., horizontal in SE wall at 18 ft. level, cut biotite gneiss and pegmatite stringers totaling 2 feet; Hole No. 3 6.0 ft. in NW wall at 9 ft. level, + 30° angle, cut 3 ft. biotite gneiss and 3 ft. pegmatite; Hole No. 4 6.0 ft. in NW wall at 11 ft. level, horizontal, cut 6 ft. of pegmatite. Test hole drilling and shaft bottom inspection indicates that the pegmatite may be terminating down dip. The operator was advised to floor the shaft at 25 ft. and turn off a drift level to the northeast.

Safety suggestions concerning needed timber work at the collar and ladder construction have been complied with. Recent progress on this contract is satisfactory.

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

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

January 7, 1957

RECEIVED DEC 26 1956 D.M.E.A.

INTERIM REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips, and Sam Phillips, Spruce Pine, North Carolina

Location: 1.23 airline miles N11°W from the town square of Burnsville, Yancey County, North Carolina

Shaft sinking continues on this contract and now totals 22 feet. Material encountered has been pegmatite and country rock. Examination of the present bottom shows continuous pegmatite to muck level on the southwest end and a mixture of gneiss and pegmatite on the northeast. Instructions were given for test hole drilling before doing any additional sinking. The mine was not working on this date because of inclement weather, and mica production from the last 16 feet of shaft is not known.

L. E. Shirley

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

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

December 12, 1956

RECEIVED
DEC 10 1956
D.M.E.A.

INTERIM REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips and Sam Phillips, Spruce Pine, North Carolina
Location: 1.23 airline miles N11°W from the town square of Burnsville, Yancey County, North Carolina

Shaft sinking is underway on this contract and new work totals 6 feet. Considerable muck has been moved from the bottom of the old workings which required about 6 days. Shaft sinking is progressing in pegmatite composed of feldspar and quartz about 8 feet thick, but the contacts appear to be converging and the body will possibly thin as more depth is obtained. The present bottom is 39 feet from the surface.

Many suggestions concerning safe operation of the mine was made during this visit. The operator was advised to complete the toolhouse to contract specifications and to build a powder magazine. Workers under ground were advised to wear safety hats. Progress on this contract is satisfactory.

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

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

November 26, 1956

INTERIM REPORT

DMEA-4313, Idm-E1018 (mica) MITCHELL BRANCH PROSPECT

Operator: Guy McCurry, John Phillips and Sam Phillips, Spruce Pine, North Carolina

Location: 1.23 airline miles N11°W from the town square of Burnsville, Yancey County, North Carolina

The starting date on this contract is November 6, 1956. No shaft sinking has been started to date, but necessary equipment consisting of a 105 c.f.m. air compressor with drilling attachment, a gasoline-powered hoist and hand tools have been moved to the site. The building of a tool house and magazines is under way. The shaft location and continued work outlined under contract was discussed with the operator. Muck removal and shaft sinking is expected to begin within the current week.

L. E. Shirley

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

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

November 13, 1956

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

RECEIVED NOV 5 19 D.M.E.A.

November 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E1018, DMEA-4313, Guy McCurry, John Phillips and Sam L. Phillips, Spruce Pine, N.C.

Transmitted are three signed copies of the subject DMEA contract.

The usual distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

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

DOCKET COPY
Surname:
Anderson
Houk
Champion
Selfridge

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

OCT 2 1956

Re: Docket No. DMEA-4313-mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I (1 page), Consent to Lien, Exhibit "A" (2 pages), and map of the Mitchell Branch Prospect. Two extra copies of Annex I, Exhibit "A" and the map are enclosed for the use of the Field Team.

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

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

Copies of memoranda dated August 14 and 20, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project were transmitted to you with our letter of September 14, 1956.

Sincerely yours,

Approved:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

George C. Selfridge
Chairman, Operating Committee

Enclosures: 6

Mr. Houk
Admr. R. File

WCAnderson:ms 10/10/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061

R.G.S.

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

RECEIVED
OCT - 1 1956

September 28, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: Docket No. DMEA-4313 (Mica)
Guy McCurry, John Phillips and Sam Phillips
Mitchell Branch Prospect, Yancey County, North Carolina

Reference is made to your letter of September 14. Mr. Bergman discussed this application with Mr. Houk and his staff on his recent visit to the Washington office.

We have no breakdown on the source of the $26,283.79 worth of mica. The field examiners talked to Milt Burleson, who produced most of it, but he could give no satisfactory answer to the question.

There is no indication that the pegmatite bottomed. According to Mr. Burleson he quit because the mica content of the pegmatite dropped sharply at the place where the "roll" out of the shaft increased the difficulty and cost of mining.

There is pegmatite in the face of the adit, as shown on the map, but folding is not evident at that point. Mr. Bergman interprets this to mean that the adit is below the drag fold there.

Following the pegmatite down the dip to pick up possible mica-bearing folds appears to offer a better target for discovery than extending the adit to the northeast.

Robert A. Laurence
Robert A. Laurence

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

DOCKET COPY
Surname:
Anderson
Lawrence G. Houk
Selfridge
Fitzsimons

600

SEP 14 1956

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

Re: Docket No. DMEA-4313-mica
Guy McCurry, John Phillips
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina

Dear Mr. Lawrence:

Reference is made to the field examination report dated August 7, 1956, on the subject property.

Our analysis of the Field Team report suggests that since the mica appears to be localized along the longitudinal axis of a low angle southwest plunging drag-fold the work should be directed to exploring this structure if, in your opinion, it is feasible. If possible, could it be determined whether the major part of the $26,283.79 was from the adit or from the pit? Does the former operator's reason for abandoning the mica mining operation "because of the roll out", indicate the bottoming of the structure or pegmatite? Is the face of the adit in pegmatite and is any folding evident here?

Copies of memoranda dated August 14 and 20, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively relating to the project are enclosed.

We are prepared to write a contract; however, we wish to inquire if the adit might be extended northeastward following the structure, thus staying on the potential mica producing zone.

Approved:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Enclosures: 4

Houk:ms 9/13/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

R.S.S.

Docket Copy
Surname:
Anderson
Houk

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

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

Subject: Docket No. DMEA-4313-Mica
Guy McCurry, John Phillips
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

Reference is made to the field examination report dated August 7, 1956, on the subject property.

Our analysis of the Field Team report suggests that since the mica appears to be localized along the longitudinal axis of low angle southwest plunging drag-folds the work should be directed to exploring this structure if, in your opinion, it is feasible. Is the sinking from the pit to encounter another similar structure? If possible, could it be determined whether the major part of the $26,285.79 was from the adit or from the pit? Does the former operator's reason for abandoning the mica mining operation "because of the roll out indicate the bottoming of the structure"? Is the face of the adit in pegmatite and is any folding evident here?

Copies of memoranda dated August 14 and 20, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

We are prepared to write a contract; however, we wish to inquire if the adit might be extended northeastward following the structure, thus staying on the potential mica producing zone.

Sincerely yours,

Approved:

Chairman, Operating Committee

Member, Bureau of Mines

Member, Geological Survey

Enclosures 4

LGHouk:gad 9/7/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

MINING LEASE

RECEIVED
AUG 3 1 1956

State of North Carolina Yancey County:

This indenture made this 23 day of May, 1956, 19~~52~~ x

between Horace Higgins and wife, Lyda Higgins

of Yancey County and State of North Carolina as party of the first part, and known as lessor, and Guy McCurry, John Phillips and Sam Phillips

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

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

Beginning on an iron stake located at the center of the Mitchell Branch Prospect which is located North 18 degrees East, 635 feet to a large Black Gum tree, this being the property line between Horace H. Higgins and Charlie Young as shown on deed recorded in Book #12, Page #126, Register of Deeds Office in Burnsville, N.C., and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located on the head of Mitchell Branch in Yancey County.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of One-Eight (1/8) Gross Sales And an additional 5% of Gross Sales, which is payable to the Government. on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

Horace H Higgins (Seal)

Lyda Higgins (Seal)

Guy McCurry (Seal)

Kenneth R McKinney
Notary Public
My Comm Exp 8/17/57

MINING LEASE

RECEIVED
AUG 31 1956

State of North Carolina Yancey County:

This indenture made this 23 day of May, 1956, ~~195xx~~

between Horace Higgins and wife, Lyda Higgins

of Yancey County and State of North Carolina as party of the first part, and known as lessor, and Guy McCurry, John Phillips and Sam Phillips

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

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

Beginning on an iron stake located at the center of the Mitchell Branch Prospect which is located North 18 degrees East, 635 feet to a large Black Gum tree, this being the property line between Horace H.Higgins and Charlie Young as shown on deed recorded in Book #12, Page #126, Register of Deeds Office in Burnsville,N.C., and running250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located on the head of Mitchell Branch in Yancey County.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of One-Eight (1/8) Gross Sales And an additional 5% of Gross Sales, which is payable to the Government. on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

_____

Horace H. Higgins (Seal)

Lyda Higgins (Seal)

Guy McCurry (Seal)

MINING LEASE

RECEIVED
AUG 31 1956

State of North Carolina Yancey County:

This indenture made this 23 day of May, 1956, ~~19~~

between Horace Higgins and wife, Lyda Higgins

of Yancey County and State of North Carolina as party of the first part, and known as lessor, and Guy McCurry, John Phillips and Sam Phillips

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

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

Beginning on an iron stake located at the center of the Mitchell Branch Prospect which is located North 18 degrees East, 635 feet to a large Black Gum tree, this being the property line between Horace H.Higgins and Charlie Young as shown on deed recorded in Book #12, Page #126, Register of Deeds Office in Burnsville,N.C., and running250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located on the head of Mitchell Branch in Yancey County.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of One-Eight (1/8) Gross Sales And an additional 5% of Gross Sales, which is payable to the Government.

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of _____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

Horace H. Higgins (Seal)

Lyda Higgins (Seal)

Guy McCurry (Seal)

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

August 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4313 (mica)

Applicant: J. & S. Phillips

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

Date of Field Team Report: 8/7/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/14/56

Field Team Recommendation: Recommend an exploration contract at an estimated cost of $6.096.00.

Comments:

1. Approximately $26,300.00 worth of mica was produced from this property during 1954-55.

2. The proposed program of exploration will determine value of ground in mine that previously has been reported as a producer of mica.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

RECEIVED
AUG 21 1956

IN REPLY REFER TO:

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

RECEIVED
AUG 15 1956

August 14, 1956

Re: DMEA 4313
Guy McCurry, et al.
Mitchell Branch prospect
Yancey Co., N. C.
Appl. Est. - $6,700
Rec'd. Est. - $6,096 - 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 exploring a pegmatite concerning which little information was given.

The examiners found extensive mining had been done by open cutting and drifting on a contorted near vertical pegmatite 3 to 8 feet thick. Mica worth $26,283.79 was recovered from one near-horizontal drag fold like contortion. The easily won mica appears to have been exhausted and sinking on the pegmatite in search of another mica-making fold is proposed. If found drifting will be done.

The examiners and Field Team recommend a work program consisting of:--

Shaft sinking 70 feet	$3,290.00
Drifting 80 feet	2,560.00
Buildings	116.00
Long-hole drilling	130.00
Total	$6,096.00
Government share	$4,572.00

One drag fold like structure appears to have been found in 50 feet of vertical work on the pegmatite. It was followed for about 130 feet and yielded $26,283.79 worth of mica. On average 3-1/2 equivalent structures will be needed to amortize the prospective Government share. Seeing that a drift will, if the fold structure repeats, be in effect mining, a sinking project rather than a sinking-drifting project is more fit and more likely to pay out. A staged sinking project is recommended.

N. E. Nelson

N. E. Nelson

DOCKET COPY
Surname:
Anderson
Houk
Mitchell
Johnson

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

AUG 16 1956

Messrs. Guy McCurry, John Phillips
and Sam Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4313-mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey County, North Carolina

Gentlemen:

Reference is made to the land description of the subject property as given in the lease and the Consent to Lien.

In this description, the tie-in call is not clear to us. Please obtain the distance and magnetic bearing, in degrees, of the line from the iron stake at the center of the Mitchell Branch Prospect to a permanent object or a property line, natural or artifical, as a tree or benchmark, etc, and insert in the description.

Enclosed are our copy of your lease, the old Consent to Lien and seven copies of a new Consent to Lien. Please complete the new Consent to Lien forms with the amended legal description and correct the land description on the lease to agree. Also, please furnish the book and page number of recording in the County Register of Deeds Office of the Horace Higgins Property, of which the leased area is a part.

Upon receipt of the above requested data, we will continue the processing of your application.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures: 13

Mr. Houk
Admr. R. File

WGAnderson:ms 8/16/56
Copy to: Docket
Field Team, Region V
Mr. Kilsgaard, 5222
Mr. Dietrich, 3061

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

RECEIVED
AUG 10 1956

August 8, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4313 (mica) John and Sam Phillips and Guy McCurry, applicants, Spruce Pine, N.C. Mitchell Branch Prospect, Yancey County, N.C.

Transmitted are 4 copies of the subject field examination with nine extra copies of the map attached.

T he Field Team concurs with the recommendations for exploration as set forth in the report by the Field Examiners.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
8-13-56
(date)

RECEIVED
AUG 10 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT - REGION V

On

DMEA-4313 (mica) MITCHELL BRANCH PROSPECT
Yancey County, North Carolina

By

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

and

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

August 7, 1956

Reviewed by
DMEA OPERATING COMMITTEE
8-13-56
(date)

FIELD EXAMINATION REPORT
On

DMEA-4313 (mica) MITCHELL BRANCH PROSPECT
Yancey County, North Carolina

RECEIVED
AUG 10 1956

Applicants: Guy McCurry, John Phillips and Sam Phillips, Spruce Pine, N.C.

Summary:

A large mica-bearing pegmatite was mined extensively during 1954 - 55. Government Depot records indicate that $26,283.79 worth of strategic muscovite was sold during this period. The structure is dike-like and extremely contorted in section. Localization of the mica is along the longitudinal axis of low angle southwest plunging drag-folds (see map). The examiners recommend an exploration project based on shaft sinking and subsequent crosscutting and drifting.

Location:

The mine is 1.23 airline miles N. 11° W. from the bench mark at the town square of Burnsville, Yancey County, North Carolina. It is adjacent to the headwaters of Mitchell Branch Creek on the south slope of Phillips and Rocky Knob at an elevation of approximately 3760 feet.

Introduction:

The property was examined on July 10, 1956, over a period of two and one-half hours. The examiners were accompanied by Mr. Guy McCurry, Mr. Sam Phillips, and Mr. Horace Higgins, the land owner. According to Mr. Higgins, the nearest property line is about one-fourth mile away from the mine site. This could not be checked in the time available. Minor pits had been dug at the site some 10 years ago, but no extensive mining was done until 1953 and 1954 when it was worked by Mr. Milt Burleson. The government depot at Spruce Pine records that $26,283.79 worth of strategic mica was sold during this period. Personal communication with the former operator indicated that operations ceased because following the structure down dip it

rolled to the southeast carrying it out of the shaft--making operations difficult. He indicated that this portion of the structure was relatively barren of mica. No equipment, supplies, or buildings are at the mine site. Access can only be gained by jeep in dry weather, or on foot in wet weather. The mine is situated on a moderately steep wooded slope. Water is available from the adjacent branch (see map).

Geology:

A concordant, contorted mica-bearing pegmatite 3 to at least 8 feet thick has been intermittently exposed over a distance of at least 140 feet. A large pit has been cut out of the slope at least 70 feet long, 35 feet wide and a maximum of 20 feet deep. A 60-foot deep adit has followed a drag-fold from the head of the pit to the northeast at an angle of about +10°. Pegmatite left in place in this adit indicates concentrations of strategic muscovite along the longitudinal axis of the fold. The orientation of the existing openings in the longitudinal section indicates structural localization of the mica. (see map). Pegmatite in the adit trends N. 44 - 47° E. and is essentially vertical with a suggestion of dip to the southeast. A large vertical cut, 21 x 9 feet by approximately 18 feet deep exists at the southwest end of the exposure. A shallow southwest-plunging incline has been driven an indeterminate distance northeast and southwest. Reportedly the incline to the southwest does not exceed 45 feet. The pegmatite at this point trends N. 29° E. and is essentially vertical.

The pegmatite is unzoned although subparallel stringers of quartz exist in the adit, oriented roughly with the contacts. Pegmatite consists of weathered sodic plagioclase, disseminated quartz, considerable fine and sheet

size muscovite and occasional coarse books of biotite. Apatite and coarse crystalline garnet exist as accessory minerals. The muscovite is ruby colored, flat and free from noticeable mineral staining. There is an occasional reeve, but not in detrimental quantity. Books of muscovite were observed in place up to 6 inches across.

Conclusions:

The examiners feel that the pegmatite should be explored on the down dip extensions to outline low-plunging, mica-bearing zones and structures. It is proposed to sink 70 feet of vertical 5 x 7 shaft in the pit near section A-A' (see map), with the long axis of the shaft in the dip section. It is expected that the pegmatite will at times dip out of the shaft so that horizontal extension steel holes are proposed at intervals of 5 feet in the dip section not to exceed 30 feet in any one hole and not to exceed 200 total feet in order to closely follow the convolutions of the pegmatite. After sinking and test drilling, structures outlined in the section should be crosscut and drifted along to outline the mica potential. 80 feet of crosscut and/or drift is proposed for this purpose.

Estimated Costs:

Construct:

Toolhouse	$75.00	
Powder Magazine	25.00	
Exploder Magazine	16.00	$116.00

Sink a 5' x 7' verticle shaft to a depth of 70 feet. Shaft to be timbered where necessary (45 shifts).
1.6 ft/shift

Labor:

1 - Miner @ $1.50/hr.	540.00
1 - Hoistman @ $1.25/hr.	450.00
1 - Laborer @ $1.00/hr.	360.00

Equipment (rental) $250/mo $500.00

Compressor and drill @ $240.00/Mo.	$480.00
Hoist @ $50.00/Mo.	100.00
Pump @ $20.00/Mo.	40.00

out

Supplies:

Gasoline and oil	215.00
Explosives	305.00
Drill steel	130.00
Timber, 2000 B.F. @ $65.00	130.00
Pipe	175.00
Small tools	90.00
Insurance	135.00
Social Security	30.00
Miscellaneous	110.00

Total cost of shaft sinking . . . . . ~~$3,290.00~~ $3170.00 $47/ft Use $45/ft.

Long hole Drilling:

Drill not more than 200 feet of hole, using rock drill with extension steel.
200 feet @ $0.65 ft 130.00

Drifts:

Drive 80 feet of 5' x 7' drifts and/or crosscuts (36 shifts)
2.2 ft/shift

Labor:

1 - Miner @ $1.50/hr.	432.00
1 - Hoistman @ $1.25/hr.	360.00
2 - Laborers @ $1.00/hr.	288.00

Equipment (rental) $250/mo → $375.00

Compressor, drill and jackleg @ $250.00/Mo.	375.00
Hoist @ $50.00/Mo.	75.00
Pump @ $20.00/Mo.	30.00

out

Supplies:

Gasoline and oil	265.00
Explosives	300.00
Drill steel	135.00
Pipe	65.00
Insurance	105.00
Social Security	20.00
Miscellaneous	110.00

Total cost of drifting. . . . . ~~2,560.00~~ $2455.00 $32/ft. Use $31.00/ft.

Total estimated cost of project $6,096.00

August 7, 1956

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

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

g

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

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

JUN 18 1956

Messrs. Guy McCurry, John Phillips
and Sam Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4313-mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey 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. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville, 2, Tennessee, for further consideration and possibly a field examination.

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:ms 6/11/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

R.C.S.

DOCKET COPY
Surname:
Anderson
Houk
Martin
Jefferson

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

JUN 13 1956

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

Re: Docket No. DMEA-4313-mica
Guy McCurry, John Phillips,
and Sam Phillips
Mitchell Branch Prospect
Yancey 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 29 and June 6, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Please have the applicant supply the book and page of recording of the tract of land involved. A location map should be prepared showing the outline of the leased area related to the location of the proposed DMEA work. A tie from one of the corners of the leased area to a permanent corner of the tract or to some permanent immovable object or monument should be made.

Sincerely yours,

Approved:

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

W. S. Martin
ACTING Chairman, Operating Committee (WB)

Tnor H. Kiilsgaard (WB)
Member, Geological Survey

WCAnderson:ms 6/11/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

Enclosures:4

P.S.R.

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

June 6, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4313 (mica)

Applicant: G. McCurry, J. & H. Phillips

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/28/56

Comments:

1. No data available in this office on this property.

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

3. Total estimated costs are in the amount of $6,700.00.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
MAY 29 1956

May 29, 1956

Re: DMEA 4313 A
Guy McCurry, et al.
Mitchell Branch prospect
Yancey Co., N. C.
$6,700.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicants request assistance in exploring by bulldozing, shaft sinking and drifting on a pegmatite concerning which little information is given. It seems some prospecting has been done and some old works exist. Some high quality mica has been recovered and sold but how much is not told.

Referral to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

May 28, 1956

Guy McCurry, John Phillips and
Sam Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, N. C.

Subject: DMEA-4313
Re: Exploration Assistance
Mitchell Branch Prospect

Dear Mr. Phillips

The receipt of your application dated May 24, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4313 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

60932

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 28 1956

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

Not to be filled in by applicant

Docket No. DMEA-4313
Metal or Mineral MICA
Date Received 5/28/56
Estimated Cost $6700.00
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: Guy McCurry, John Phillips and Sam Phillips
c/o Sam L. Phillips
Spruce Pine, N. C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 5-24-56, 195...

Guy McCurry, John & Sam Phillips
(Applicant)

By Sam L. Phillips
Partner

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 28 1956

MF-103 (Continuation sheet)

4. (a) Some prospecting has been done here, and some old works exist.

(b) Records not available on past production. Some high quality mica has been sold from this mine several years ago.

(c) From vein materials showing, we believe strategic mica may be found by exploring.

(d) Some bulldozing will be necessary to complete road access.

(e) Manpower, equipment and supplies available. Power is one mile away. Water nearby.

5. (b) We propose to bulldoze short road access, bulldoze away overburden to best locate shaft, lower shaft 70' deep, then drift 80' with vein.

6. Estimate of costs:

40 Hr. Bulldozing @ $10.00 per hr.	$ 400.00
70' Shaft @ $50.00 per foot	3500.00
80' Drift @ $35.00 per foot	2800.00
Total estimated cost of project	$ 6700.00

RECEIVED
MAY 28 1956

Guy McCurry

Mr. McCurry was born and brought up at Micaville, in Yancey County. He attended grammar school there and was graduated from Micaville High School.

He has been employed at various places in Michigan, including three years with Structural Steel Co. of River Rouge, Michigan. In the last few years Mr. McCurry has been employed in mining work, having worked at the Bowers Mine, Chestnut Branch Mine, Autrey Mine, and others.

Mr. McCurry is now forty-nine years old. He has a good community reputation, and lists the following references:

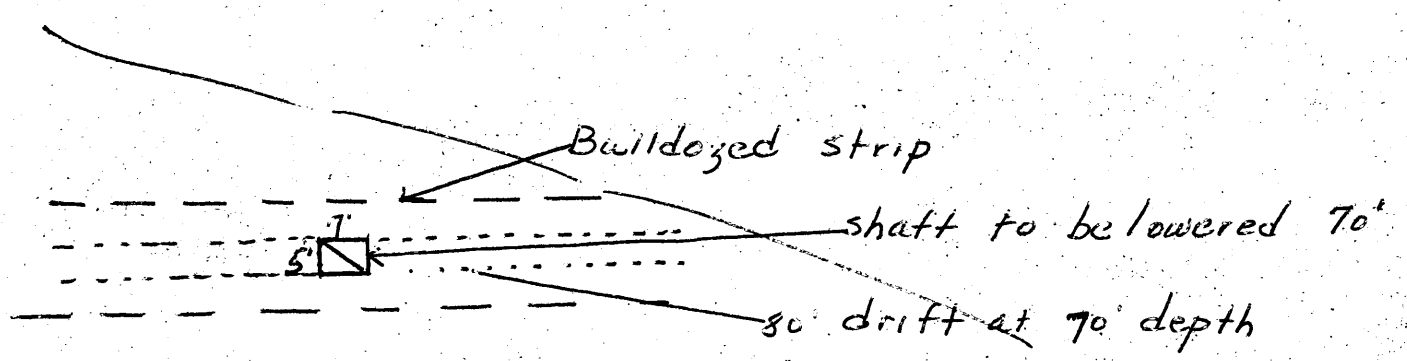
Mr. Lee Robinson, merchant
Micaville, N. C.

Mr. C. P. Randolph, Attorney at Law
Burnsville, N. C.

Mr. E. L. Briggs, Attorney at Law
Burnsville, N. C.

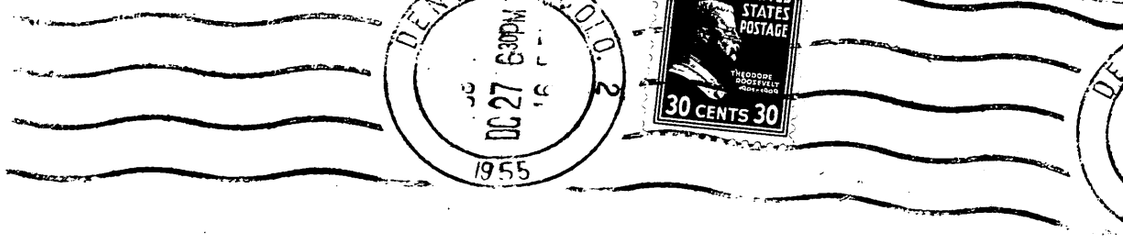
RECEIVED
MAY 28 1956

MITCHELL BRANCH MINE
Yancey County

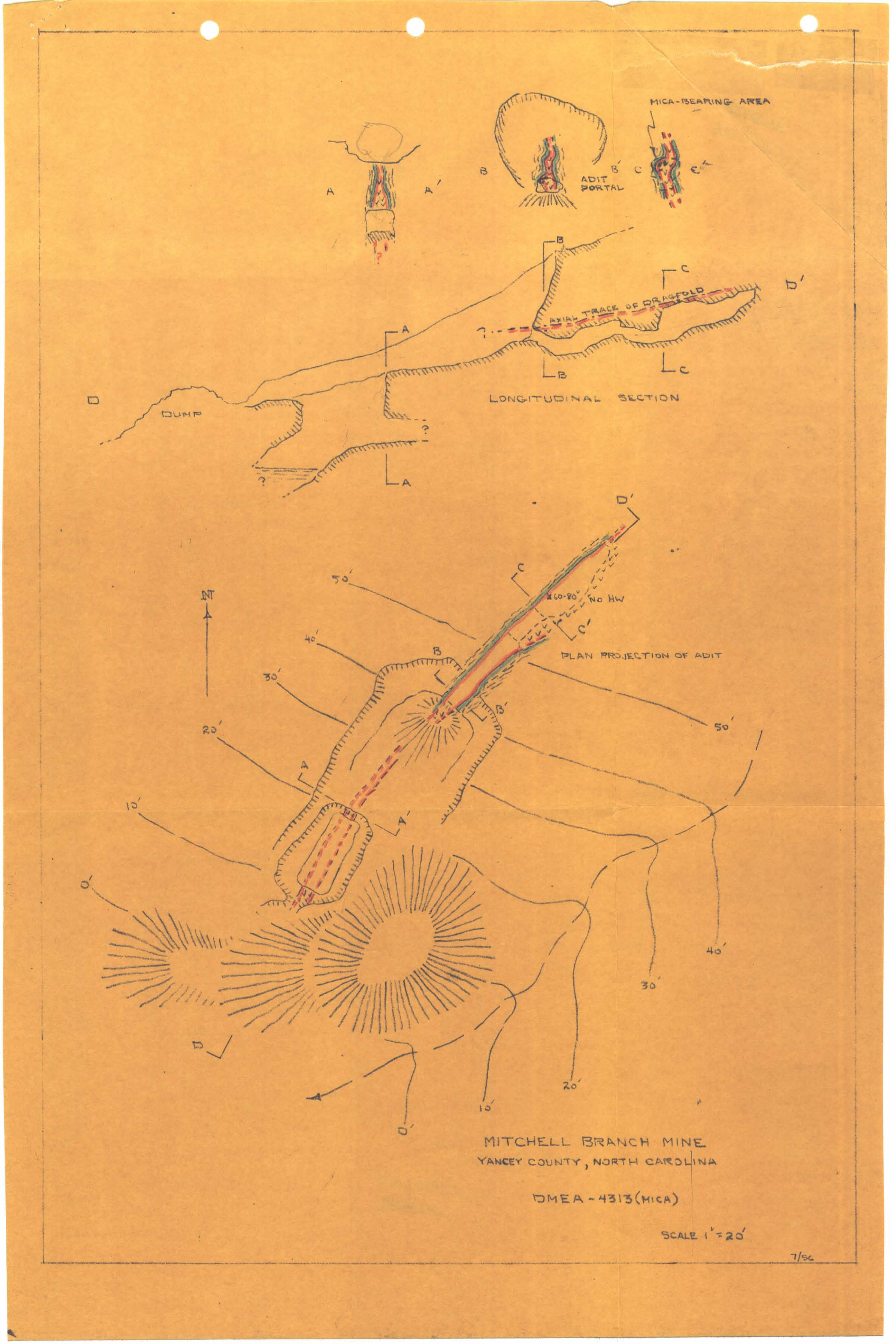


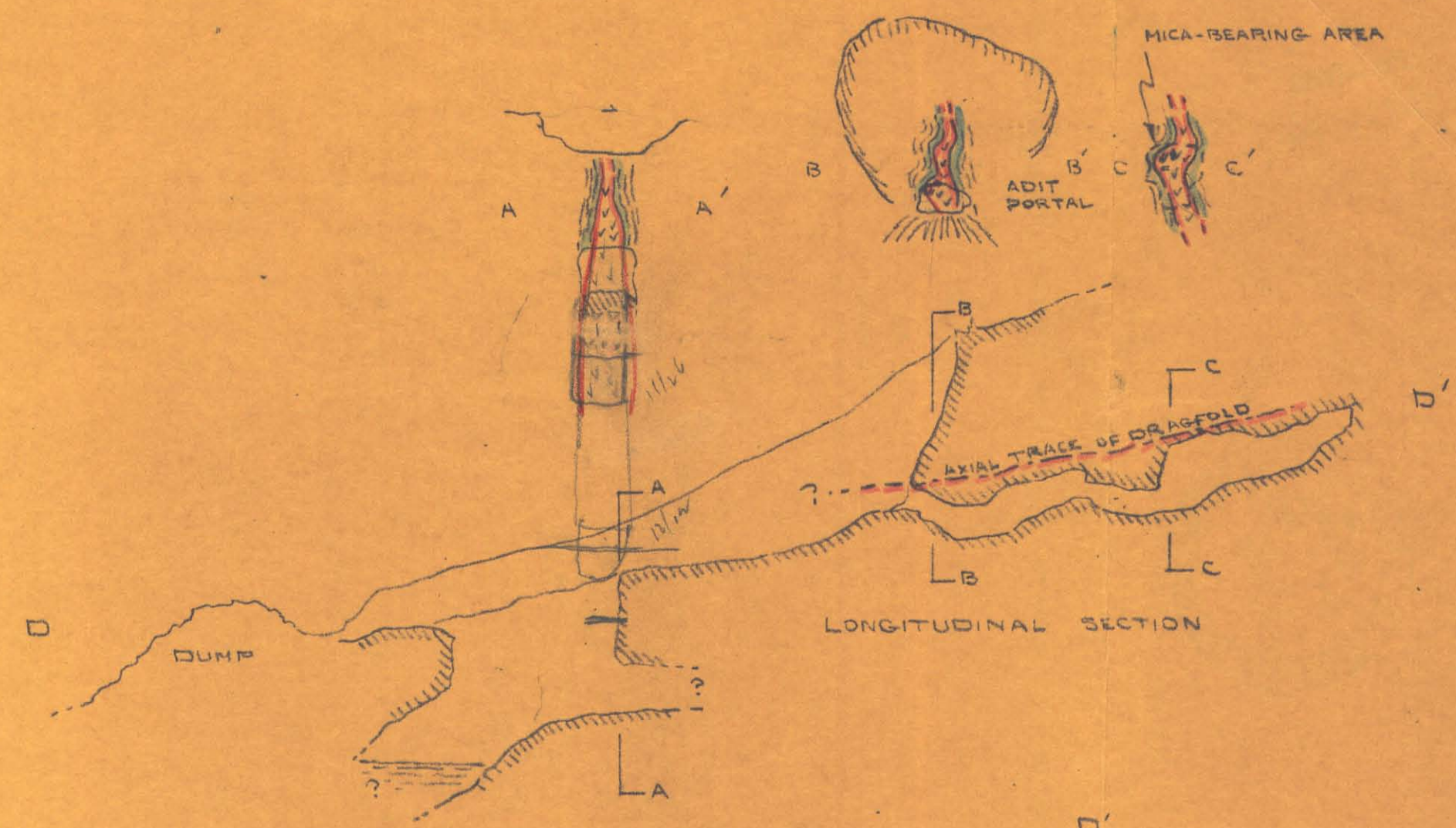
HE INTERIOR
INES

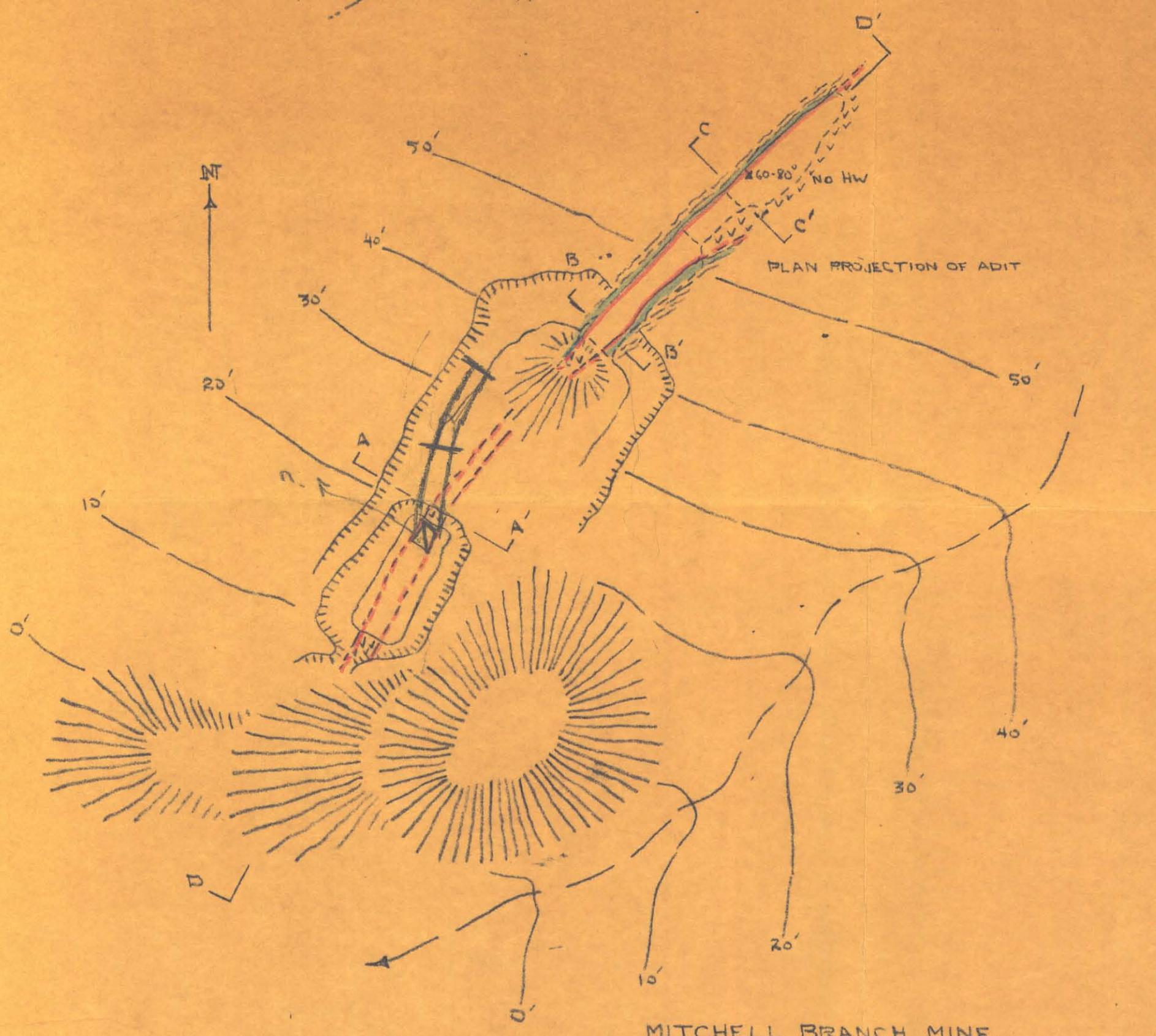
NESS
TOMHOUSE
LORADO



Defense Minerals Exploration Administration
U. S. Department of the Interior
Interior Building
Washington 25, D. C.


MICA-BEARING AREA
A
A'
B
B'
ADIT PORTAL
C
C'
B
C
D'
AXIAL TRACE OF DRAGFOLD
A
?
B
C
D
DUMP
LONGITUDINAL SECTION
?
?
A
D'
C
50'
60-80°
NO HW
C'
N
40'
B
PLAN PROJECTION OF ADIT
30'
B'
50'
20'
A
10'
A'
0'
40'
30'
D
20'
10'
0'
MITCHELL BRANCH MINE
YANCEY COUNTY, NORTH CAROLINA
DMEA-4313(MICA)
SCALE 1" = 20'
7/56





MITCHELL BRANCH MINE

YANCEY COUNTY, NORTH CAROLINA

DMEA-4313(MICA)

SCALE 1" = 20'

7/86