Division Copy

MF-200A
(Rev. April 1956)

RECEIVED NOV 16 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*
4399	Mica	1029	Mitchell	North Carolina

It is agreed OCT 30 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mack Gouge, Brown Sparks, Sam L. Phillips and John Phillips, a partnership

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 DEC 15 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 $5,500.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,125.00, 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: None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Changes and added provisions.*—

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.....

"Appd. Sol. Off."
Anderson
Shoup
Talbert
Selfridge

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Mack Gouge ~~(Operator)~~ (Partner)

Brown Sparks (Partner)

~~BY~~ Sam L. Phillips (Partner)

John Phillips (Partner)

By O. Meitzenbergs
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

RECEIVED 16 1956

EXPLORATION PROJECT CONTRACT
MACK GOUGE, BROWN SPARKS, SAM AND JOHN PHILLIPS
DOCKET NO. DMEA-4399

ANNEX I

The land referred to in Article 2 of the Contract is known as the Turbyfill Prospect, and is shown on the attached "Map No. 2," location map, as a portion of the Turbyfill property. The land is located 0.4 airline miles S. 38° W. of Ledger, Mitchell County, North Carolina, and is more particularly described as follows:

> Beginning on an iron stake at the center of the Turbyfill Prospect which is located approximately 150 feet north of another iron stake, and running 250 feet north; thence 250 feet west; thence 500 feet south; thence 500 feet east; thence 500 feet north; thence 250 feet to a point of closing.

The Operator is in possession and is entitled to possession of the land pursuant to a lease agreement dated July 10, 1956, with Jess Turbyfill, for a period of five years, renewable.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E 1029
Contract Date OCT 30 1956

RECEIVED
JUL 26 1956

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows:1/ Beginning on an iron stake at the center of the Turbyfill Prospect which is located approximately 150' North of another iron stake, and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located at Ledger, N. C.,

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

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

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

None

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

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

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

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

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: _____

_____

_____

_____

_____

_____

_____

_____

Dated this _____ day of _____, 195__.

_____ [Seal]

_____ [Seal]

_____ [Seal]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
MACK GOUGH, BROWN SPARKS, SAM AND JOHN PHILLIPS
DOCKET NO. DMSA-4399

EXHIBIT A

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the attached map entitled "Turbyfill Prospect, Mitchell Co., N. C. DMSA-4399."

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

Stage I

Expose the pegmatite along the strike by excavating a trench approximately 185 feet long by 15 feet wide by 5 feet deep, and not exceeding 350 cubic yards of excavation.

Stage II

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 feet.

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 ½-inch softwood lumber; and shall be braced at the corners. No metal shall be exposed; and the lids or doors shall be equipped with the equivalent of a 5-tumbler jarproof lock.

2. From the bottom of the trench at a point approved by the Government, sink a 2-compartment, inclined or vertical shaft for a distance not to exceed 60 feet.

3. Explore the pegmatite by driving from the bottom or near the bottom of the shaft, not more than 80 feet of drifts and/or crosscuts, as approved by the Government.

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

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

Fixed Unit Costs

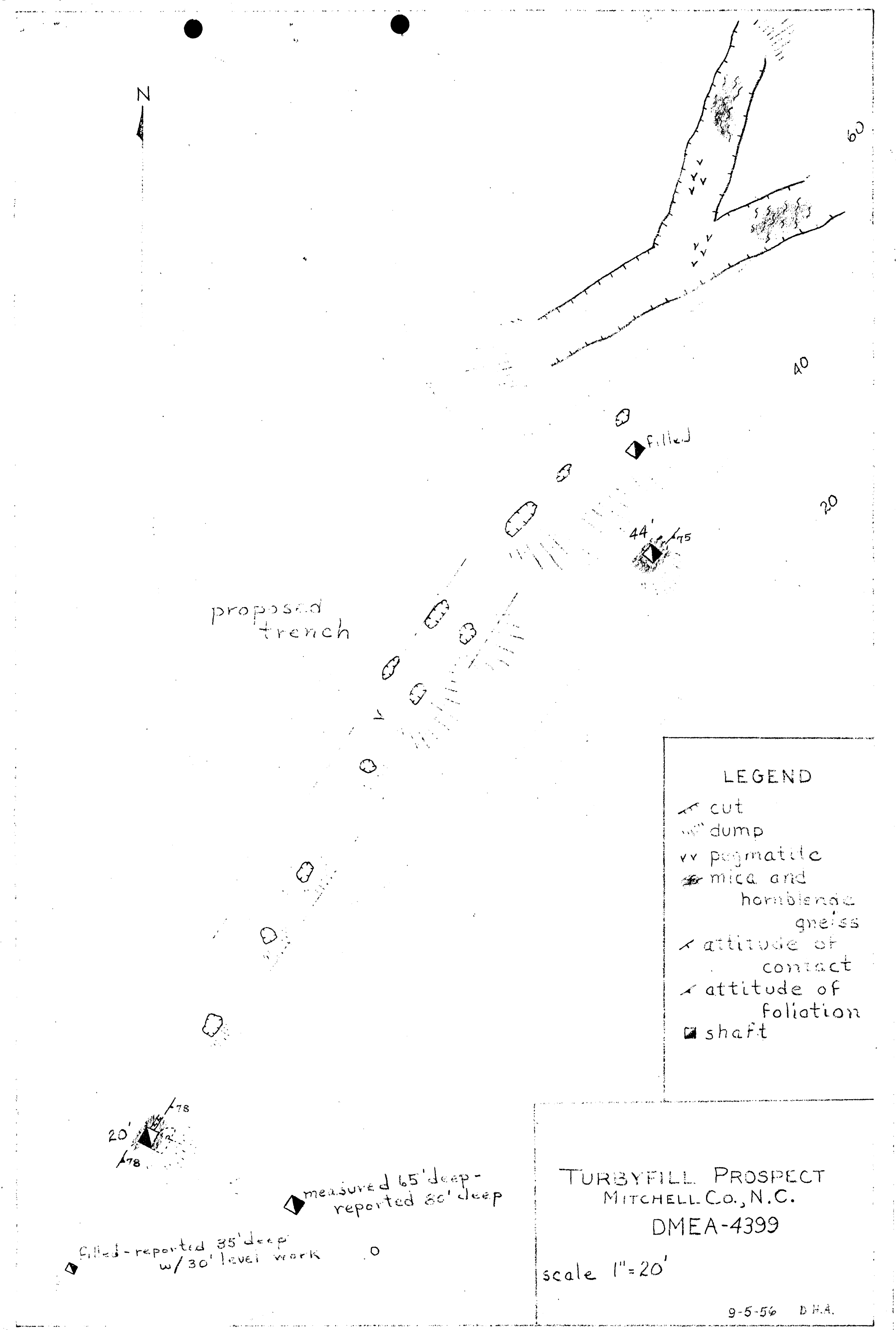
Stage I

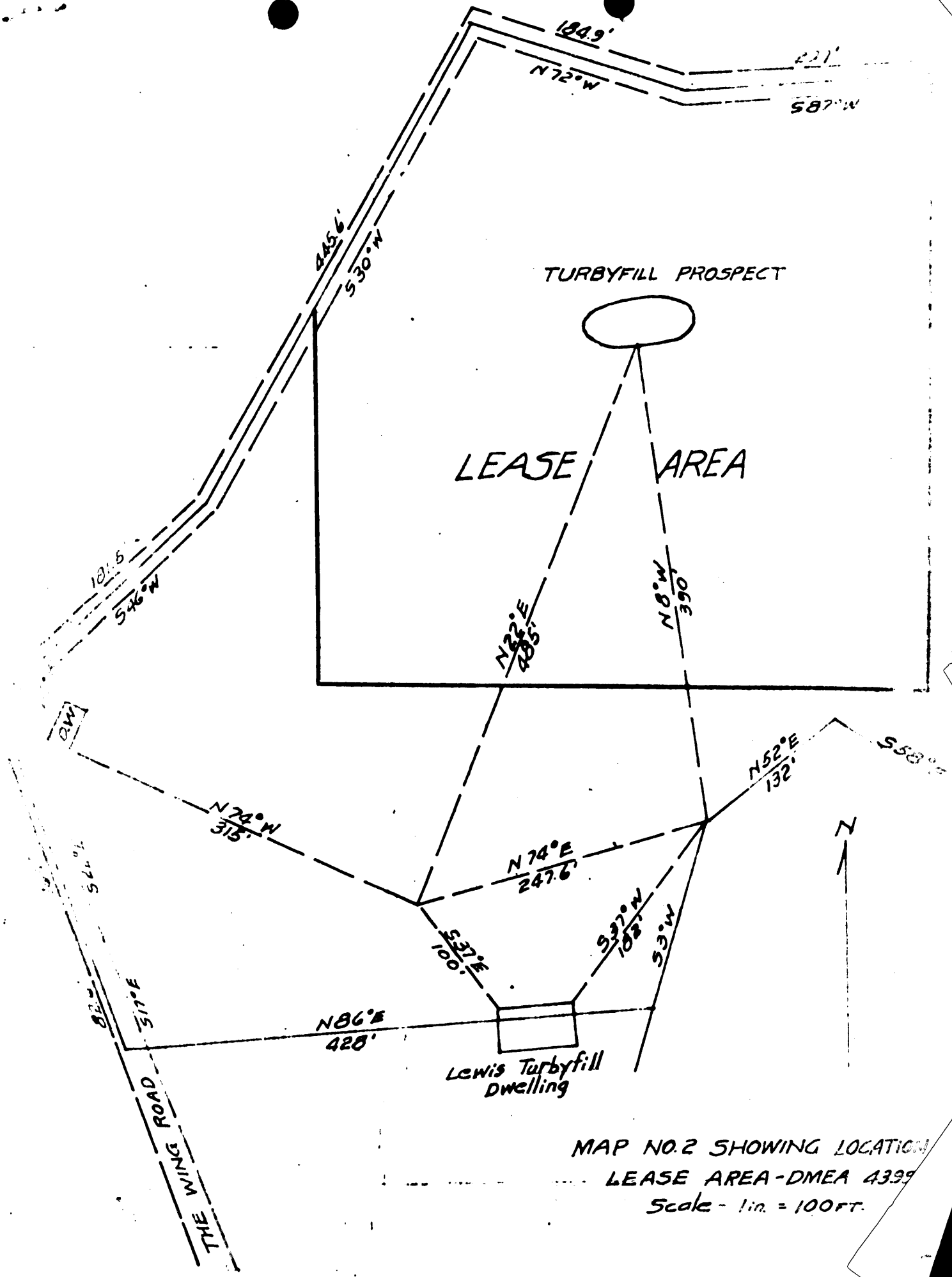
Excavate trench - 350 cubic yards @ $0.30/cu. yd.		$ 105.00

Stage II

1. Construct - Toolhouse 1/	$75.00		
- Powder magazine 1/	25.00		
- Exploder magazine 1/	15.00	115.00	
2. Sink 60 feet of shaft @ $44.00/ft.		2,640.00	
3. Drive 80 feet of drifts and/or crosscuts @ $33.00/ft.		2,640.00	
Estimated Total Cost of Project			$5,500.00
Government Participation @ 75%			$4,125.00

1/ The completed work constitutes the unit.


N
60
40
20
filled
44'
75
proposed trench
LEGEND
cut
dump
pegmatite
mica and hornblende gneiss
attitude of contact
attitude of foliation
shaft
78
20'
78
measured 65' deep - reported 80' deep
filled - reported 35' deep w/ 30' level work
TURBYFILL PROSPECT
MITCHELL Co., N.C.
DMEA-4399
scale 1" = 20'
9-5-56 D.H.A.



MAP NO. 2 SHOWING LOCATION
LEASE AREA - DMEA 4339
Scale - 1 in. = 100 FT.

JUL 25 1957

Mr. Jack Turbyfill
Route 3
Bakersville, North Carolina

re: Docket No. [illegible]-43[illegible]-Ilex
Jack Houge, Brown Sparks,
Sam and John Phillips
Turbyfill Mine
Mitchell County, North Carolina
Contract No. ida-10[illegible]

Dear Mr. Turbyfill:

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 signed by you.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

Anderson:rsl 7/23/57
Copy to: Admr. C. File
Mr. Chambers
Field Area, Region V
Mr. Hillegaard, 5212
Mr. Dietrich, 3001
Operating Committee
Mr. Houk

JUL 25 1957

Messrs. Mack Dodge, Brown Sparks,
Jess and John Phillips
c/o Mr. Jess L. Phillips
Bruce Mine, North Carolina

Re: Contract No. [illegible]
Mack Dodge, Brown Sparks,
Jess and John Phillips
Turbyfill Mine
Mitchell County, North Carolina
Contract No. [illegible]

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 USBM exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:rsi 7/23/57
Copy to: Adm. R. File
Mr. Chambers
Field Team, Region V
Mr. Jesse Turbyfill
Operating Committee
Mr. Hillsgaard, 5122
Mr. Dietrich, 3061
Mr. Souk

JUL 25 1951

Mr. Robert [illegible]. Lawrence
Executive Officer, [illegible]
Field Team, Region V
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Re: Docket No. [illegible]
Mack Souga, Frown Sparks,
[illegible] and John Phillips
Turbyfill Mine
Mitchell County, North Carolina
Contract No. [illegible]

Dear Mr. Lawrence:

Enclosed is a letter to be forwarded to the signer of the Consent to Lien under the subject contract.

Kindly complete the address and forward, retaining your copies and returning the remaining copies.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

Horace T. Reno

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosure

ACanderson:rsi 7/23/57
Copy to: Mr. R. Bile
Operating Committee
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk ✓

July 23, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4399-Mica
Contract No. Idm-E1029
Turbyfill Mine
Mitchell County, North Carolina

Application: Form MF-103 (April 1952) received July 26, 1956.
Work Proposed by Applicant:
35 hours of bulldozing; 60 feet of shaft and 100 feet of drift.
Amount requested: $6,850.00

Operators: Mack Gouge, Brown Sparks, Sam and John Phillips
c/o Sam L. Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on the Jess Turbyfill property consisting of 5 plus acres, dated July 10, 1956.
Consent to Lien of Owner, undated.

2. Contract: Form MF-200A (April 1956), dated October 30, 1956.
Work Authorized:

Stage I

Trench excavation -	
350 Cu. yds. @ $0.30/c.yd.	$105.00

Stage II

Construction-	
Toolhouse, powder and exploder magazine	115.00
60 feet of shaft @ $44.00/ft.	2,640.00
80 feet of drift @ $33.00/ft.	2,640.00
Estimated total cost of project	$5,500.00
Government participation @ 75%	$4,125.00

Amendments: None.
Work Completed: Stage I

Excavated trench	$105.00
Total accepted cost	$105.00
Government participation	$78.75

Work began November 12, 1957, and ended after completion of Stage I on November 16, 1957. Automatically terminated by non-approval of Stage II work. Field Team Final Report received January 18, 1957. Operator's Final Report received January 16, 1957.

Production during project - About 30 pounds of fair "mine-run-block" muscovite. At $600. per ton, this would be worth $9.00. Royalty $0.45. No equipment purchased under contract.

3. Audit: Report of Review issued January 25, 1957.

4. Certification of Discovery - none issued.

5. Comments:

How Conducted: All of the work in which the Government participated was acceptable.

Operation: Good.

Engineering: Reporting by Operator was satisfactory.

Geologic Premise: The work did not bear out the premise that there was a possibility of finding a mica deposit as was indicated by past production and mica found on the dump.

Geologic Criteria Upon Which Work Was Based:

1. Pegmatite: Conformable, 2 to 4 feet thick, consisting of kaolinized plagioclase, quartz, and muscovite. Apparently another parallel body is exposed in a recently cut trench which consists of perthite, quartz, and sparse muscovite. Country rock - semi weathered hornblende gneiss.

2. Mica: That present in old dumps is of strategic quality, green, clear, and free splitting.

3. Past Production:

Geologic Criteria Developed During Project:

1. Pegmatite: Only a few small pods were uncovered, largest 6 to 12 inches wide and 2 to 5 feet long.

2. Mica: Pegmatite is too feldspathic to contain any amount of strategic mica.

Future Possibilities: None.

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

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 7/23/57
Copy to: Adrm R. File
Mr. Houk

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

EXTRA COPY
D M E A
RECEIVED JAN 28 1957

DATE	INITIALS	CODE

January 25, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4399 (mica)

Applicant: Mack Gouge

Name and Location of Property: Turkyfill Prospect, Mitchell County, North Carolina

Contract Number: Dma-E 1029

Date of Field Team Report: 1/16/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 1/22/57

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. Only small pods of pegmatite were uncovered by excavation of 555 cubic yards of weathered material under Stage I of an exploration program.

2. About 30 pounds of "fair mine-run-block" muscovite was recovered.

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

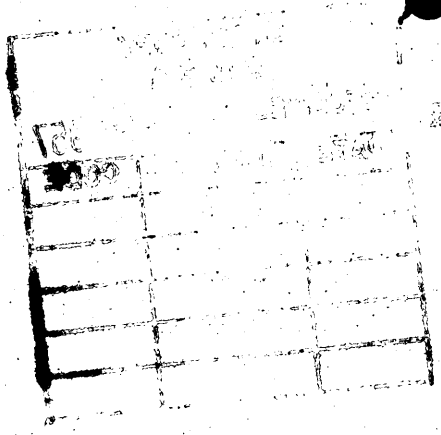
4. Expenditures -

Total approved	$5,500.00
Total cost	105.00
Gov't. share of the cost	78.75
Value of production during operation	unknown

Recommendation:

I concur with the recommendation of the field team that this prospect be not certified.

Signed
W. F. Dietrich



IN REPLY REFER TO:

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

EXTRA COPY DMEA		
RECEIVED JAN 24 1957		
DATE	INITIALS	CODE

January 23, 1957

Re: DMEA 4399 IGm-X1029
Mack Gouge, et al.
Turbyfill Mine
Mitchell County, N. C.
$5,500 - 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

A contract was awarded approving the expenditure of $5,500 on the exploration of a pegmatite on which considerable work had been done. No information concerning production, but the application said evidence on the dump suggested good mica had been produced.

Bulldozing revealed only pods of pegmatite where the work had been done. A second pegmatite was revealed by bulldozing, but it contained little mica.

Reasons for doing further work being lacking the Stage II work was not undertaken and the work stopped only $105.00 having been spent.

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

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

NENelson:jeh
1/23/57
cc: Director's reading 4212
Branch reading 4212
DMEA (3)
W. F. Dietrich 3061
Docket file
Chron. file

IN REPLY REFER TO:

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

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D M E A

RECEIVED

DATE	INITIALS	CODE

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

WASHINGTON 25, D.C.

January 16, 1957

A

DATE		COST
1-24	C	130
1-28	WM	220
		600

Memorandum

To: Operating Committee, DMEA- Washington

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

Subject: Final Report, DMEA-4399, Idm-E1029 (mica) Mack Gouge, et al. Turbyfill Prospect, Mitchell County, N.C.

Enclosed are 4 copies of the subject report.

The project was terminated by non-approval of Stage II.

We do not recommend certification.

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

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

z

Reviewed by
DMEA Operating Committee
1-23-57

130
220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM FINAL REPORT, REGION V

on

DMEA-4399, Idm-E1029, TURBYFILL PROSPECT
Mica- Mitchell County, N. C.

By

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

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

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

1-23-57

January 15, 1957

FINAL REPORT

On

DMEA-4399, TURBYFILL PROSPECT
Idm-E1029 (mica) Mitchell
County, North Carolina

Operators: Mack Gouge, Brown Sparks, Sam & John Phillips, Spruce Pine, N.C.

Summary

Only small pods of pegmatite were uncovered by excavation under Stage I with a total production of about 30 pounds of fair "mine-run-block" muscovite. No further exploration is warranted. It is recommended that no certificate of discovery be issued, as no reserves have been outlined.

General

The Turbyfill Mine is 0.4 air miles S 38° W of Ledger, Mitchell County, North Carolina.

About 555 cubic yards of weathered material was excavated from a trench 125 feet long, 15 feet wide, and 5 to 10 feet deep that trends N 30° E through several old pits (350 cu. yds. was under contract, the rest at the Operator's expense). A crosscutting trench about 40 feet long, 10 feet wide and 5 feet deep was excavated near the southernmost shaft on the southeastern end of the larger cut. It was back-filled because no pegmatite was exposed. Work began November 12, 1956 and ended November 16, 1956.

The largest of the pegmatite pods encountered, as seen in the bottom of the cut, was about 6 inches to 12 inches wide and 2 to 5 feet long. It seems that all the previous pits were sunk along the strike (N 30° E) of these pods and apparently just on the pods. No continuous pegmatite was observed, although one may exist between two shafts that parallel the cut 20 to 30 feet to the southeast. The pegmatite in one shaft was cleaned off for a close inspection and found to be too feldpathic to contain any quality of strategic muscovite.

About 30 pounds of fair "mine-run-block" muscovite was recovered. The blocks ranged in size up to 8 inches wide and 1 inch thick.

Expenditures:

(a)	Total amount of contract	$5,500.00
(b)	Total amount spent	105.00
(c)	Government's share of amount spent	78.75
(d)	Government's share unexpended	4046.25
(e)	Production during operation	Unknown
(f)	Royalty paid	None

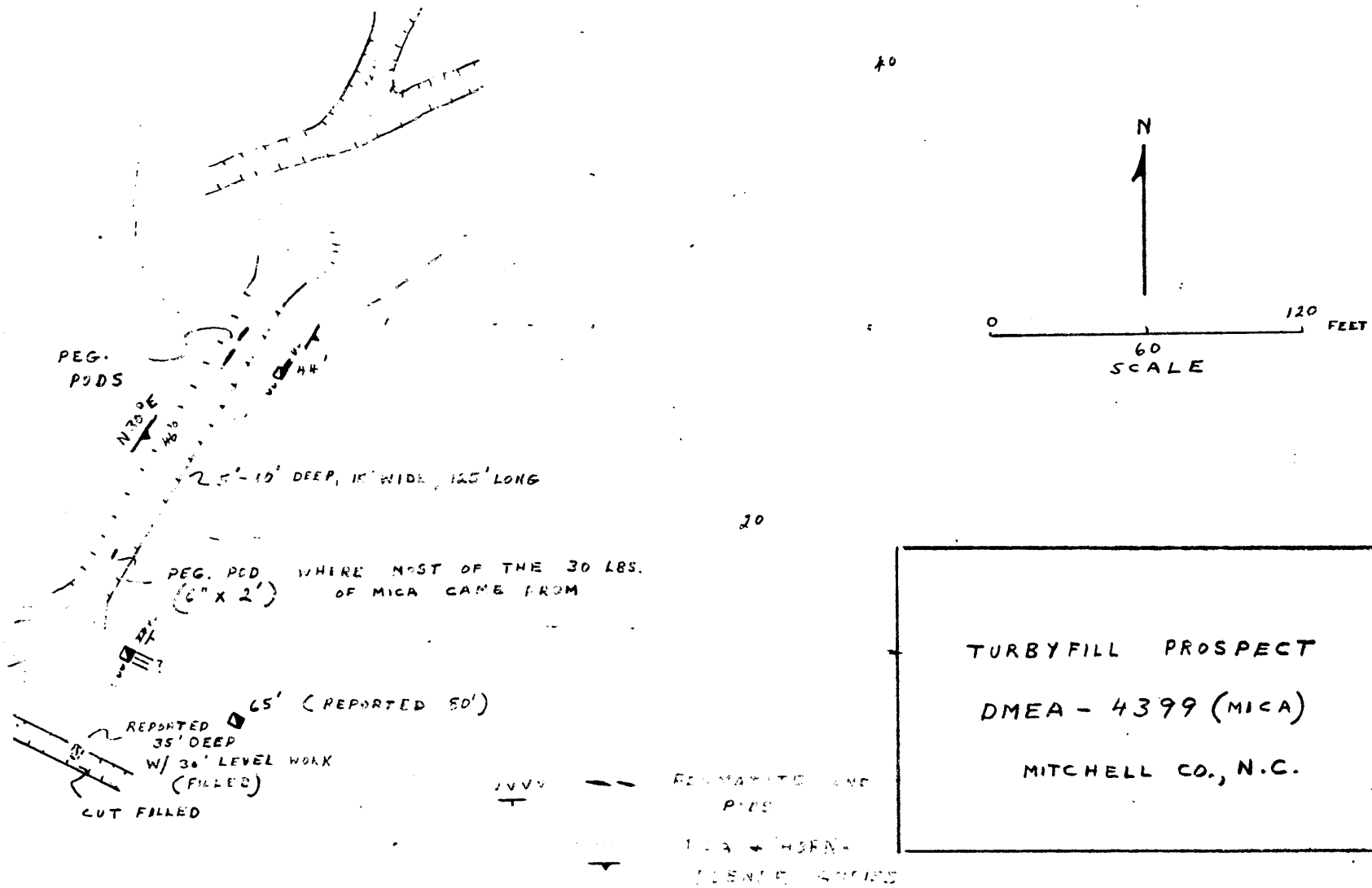
January 15, 1957.

A. R. Taylor, Geologist
Geological Survey

S. C. Bergman, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Mining Engineer

z


10
40
N
0
120
FEET
60
SCALE
PEG.
PODS
44'
N 30 E
25'-10' DEEP, 15' WIDE, 125' LONG
20
PEG. POD
(6" X 2')
WHERE MOST OF THE 30 LBS.
OF MICA CAME FROM
65' (REPORTED 50')
REPORTED
35' DEEP
W/ 30' LEVEL WORK
(FILLED)
CUT FILLED
PEGMATITE LINE
PODS
TURBYFILL PROSPECT
DMEA - 4399 (MICA)
MITCHELL CO., N.C.

12-31-56 ART

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

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 41

OPERATOR'S MONTHLY REPORT AND VOUCHER

A

Month of December, 1956 Docket No. DMEA 4399 Contract No. Idm-E 1029
Operator's Name Mack Souge, Brown Sparks, Sam & John Phillips, Ptnrs Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 5,500.00 Government Participation: 75 % Amount, $ 4,125.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing 350 Cu.Yds.	105.00		105.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	105.00		105.00	105.00		105.00

RECEIVED JAN 18 1957 Louisville, Ky.

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 1-8-57 *Payee Mack Souge, Brown Sparks, Sam & John Phillips

Per Sam L. Phillips Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 78.75

Signature Peter R. Mellen
(Authorized Certifying Officer)

Date JAN 16 1957 Vou. No. 11

(See other side)

26.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E1029 in accordance with the terms of the contract.

Signature S. C. Benjamin Title GEOLOGIST, U. S. G. S. Date JAN 14 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date JAN 15 1957

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195 6 Docket No. DMEA 4399 Contract No. idm-E 1029
Operator's Name Mack Gouge, Brown Sparks, Sam & John Phillips Minerals Mica
Address Spruce Pine, N.C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
Bulldozing	Cu. Yds.	105.00	350	105.00	350	0.30	350	0.30
Total Distributed Costs		105.00		105.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		105.00		105.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 1-8-58 Operator Mack Gouge, Brown Sparks, Sam & John Phillips
Per Sam L. Phillips Title Partner

Remarks:

NOTE.—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.

(Instructions on reverse)

(For Government use only)

S.C. Bergman
GEOLOGIST, U. S. G. S. JAN. 14 1957

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

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

OPERATOR'S

Monthly Progress Report

DMEA-#4399, Idm-E 1029

Turbyfill Prospect

Work Accomplished:

We moved in a bulldozer and excavated a trench along the strike of the pegmatite. The contract was terminated at the end of Stage I, because the prospect did not look promising enough from the geological standpoint.

Daily Notes:

November 12 - 16 : We moved in a bulldozer and excavated a trench. Contract was terminated at this point, because it did not look promising.

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JAN 14 1957

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

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D·M·E·A
RECEIVED JAN 1957

DATE	INITIALS	CODE
1-16	cew	220
1-16	wza	600

January 14, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Operator's Final Report-DMEA-4399, Idm-E1029 -mica. Mack Gouge, et al Operators, Turbyfill Prospect, Mitchell County, N. C.

Enclosed are the original and 3 copies of the subject report. This project was automatically terminated by non-approval of Stage II. Although the surfac e prospects were encouraging, the work of Stage I indicated that there was no justification for continuation. Actual notice of non-approval of Stage II was withheld, at the Operator's request while they did additional surface work at their own expense, but this additional work disclosed no encouraging indications.

Certification will not be recommended.

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

RAL/zm
cc
Lynch
Shirley
Files

V. J. LYNCH
MEMBER, BUREAU OF MINES

RECEIVED		
DATE	INITIALS	CODE

EXTRA COPY
DMEA
RECEIVED JAN 16 1957

DATE	INITIALS	CODE
1-16	wia	600

Spruce Pine, North Carolina
January 8, 1957

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

Re: DMEA #4399, Idm-E 1029
Turbyfill Prospect, Mitchell County
Final Report

Dear Mr. Laurence:

We began work on the above project on November 12, 1956, and stopped work upon termination of the contract on November 16, 1956.

We moved in a bulldozer and excavated a trench along the strike of the pegmatite. The contract was terminated at the end of Stage I, because the prospect did not look promising from the geological standpoint.

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

Very truly yours,

Sam L. Phillips

Sam L. Phillips

P/j

RECEIVED
JAN 14 1957

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

EXTRA COPY, DMEA
RECEIVED JAN 14 1957

DATE	INITIALS	CODE
1-16	WZA	600
January 10, 1957		

Mack Gouge, et al.
c/o Sam L. Phillips
Spruce Pine, North Carolina

Re: DMEA-4399, Idm-E1029 (Mica)
Turbyfill Prospect
Mitchell County, North Carolina

Dear Mr. Gouge:

Because results of Stage I indicated that further work is not warranted, Stage II is not approved, and therefore the subject contract is considered to be terminated, effective December 13, 1956.

Very truly yours,

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

RAL/mg
cc - Operating Committee (3)
Finance Office
Lynch
Shirley
File

INTERIM REPORT

DMEA-4399, Idm-E1029 (mica) HURBYFILL PROSPECT

Operator: Mack Gouge, Brown Sparks, Sam and John Phillips, c/o Sam Phillips, Spruce Pine, North Carolina
Location: 0.4 airline miles S38°W of Ledger, Mitchell County, North Carolina

Additional trench work by hand at this prospect does not sufficiently expose promising pegmatite that will warrant Stage II. The Field Examiners recommend that the contract be terminated at the end of Stage I and that no further work be attempted.

The Operator has attempted to expose pegmatite at the surface in at least 3 old shafts on the property which were inspected by the Examiners at this time. None show pegmatite containing strategic mica and a negative answer was given concerning any future work at these locations.

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

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

December 12, 1956

A

INTERIM REPORT

DMEA-4399, Idm-E1029 (mica) TURBYFILL PROSPECT

Operator: Mack Gouge, Brown Sparks, Sam and John Phillips, c/o Sam Phillips, Spruce Pine, North Carolina
Location: 0.4 airline miles S38°W of Kedger, Mitchell County, North Carolina

The starting date on this contract is November 12, 1956. Stage I, consisting of trench work by bulldozer has been partially completed. The excavated trench is 125 feet long by 15 feet wide by 5 to 10 feet deep and trends N30°E. Material encountered consists of hornblende-biotite gneiss and thin lenticular pods of pegmatite conformable with the country rock. About 30 pounds of mine-run book mica of fair quality in sizes up to 6" by 8" by 1" thick was recovered during excavation. A narrow crosscutting trench was excavated about 300 feet northeast of the first trench but no pegmatite in place was exposed.

The operator was of the opinion that further excavation of the pegmatite lenses would show pegmatite that would warrant further exploration in the form of Stage II. Another visit will be made to the mine when the examiners are again in the area, to observe the results of this work.

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

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

November 14, 1956

November 14, 1956

RECEIVED NOV 15 1956 DMEA

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - Idm-E1029, DMEA-4399 -Mica
Turbyfill Mine, Mitchell County, N.C.
c/o Sam L. Phillips, Spruce Pine, N.C.

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

Robert A. Laurence

RM.

cc:
Finance Office
Shirley
Lynch

Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 15 - CON. DEF. BLDG.
KNOXVILLE 2, TENN.

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

November 2, 1956

Memorandum

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

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

Subject: Docket No. DMEA-4399 - Mica
Mack Gouge, et al., Spruce Pine, North Carolina
Turbyfill Prospect, Mitchell County, North Carolina

The subject exploration contract has been forwarded to the Applicants for signatures.

We are satisfied that the property, as shown on Map No. 2 is essentially the same as that which the Applicants are leasing. However, we note the following discrepancies between the map and the description in Annex I:

1. The beginning iron stake is at the south edge of the Turbyfill prospect.

2. The south edge of the leased area, as shown on the map is 300 feet south of the center of the prospect, instead of 250 feet as given in the description.

3. The leased square, as given in the description extends beyond the north and northwest boundaries of the Turbyfill property as shown on the map.

We assume that these are unimportant discrepancies, and that, for purposes of the contract, the area covered by the "lease area" on Map No. 2 is all that is subject to the contract. That area is adequate for the proposed exploration.

Robert A. Laurence
Executive Officer

V. J. Lynch
Member, Bureau of Mines

RAL/mg
cc - Oper. Comm. (2)
Lynch Shirley File

600

OCT 30 1956

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

Subject: Docket No. DMEA-4399-Mica
Mack Gouge, Brown Sparks,
Sam and John Phillips
Turbyfill Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

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. The contract consists of MF-200A, Annex I, Consent to Lien, Exhibit A (2 pages) and two maps of the Turbyfill Prospect. Two extra copies of Annex I, Exhibit A and the maps 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 maps are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated September 19 and 20, 1956, by Mr. W. E. Nelson, USGS and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

P. F. Yopes

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 10/26/56

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 12

Memorandum

To: File

From: Walter C. Anderson, Nonmetallic Minerals Division

Subject: Evaluation of application and field examination report
Docket No. DMEA-4351-Mica
Mark George, Brown Sparks, Sam & John Phillips
Turbyfill Mine
Mitchell County, North Carolina

A contract is recommended

Mica: Strategic quality, green, clear, and free splitting. Some is slightly cracked and curved.

Pegmatite: Unzoned, conformable, 2 to 4 feet thick, enclosed in semi-weathered hornblende gneiss. Consists of perthite, quartz and muscovite.

Old workings:

1. Series of pits along strike, done about 60 years ago.
2. During World War II, an 80 foot shaft was sunk.
3. Late 1940's - a 35 foot shaft southwest of all workings and a 44 foot shaft at northeast end of works.

Method of exploring: 1. Applicant proposed:

35 hrs. bulldozing @ $10/hr	$350.00
60 feet of shaft @ $50 hr.	3000.00
100 feet of drift @ $35 hr	3500.00
Total	$6,800.00

2. Field Team proposed - 2 stages

Stage I - Bulldozing	$105.00
Stage II - New Bulldozing	115.00
60 feet of shaft @ $51.60/ft	3,086.00

80 feet of drifts @ $35.80/ft.	$2867.00
Total	6,172.00

3. Contract as written:

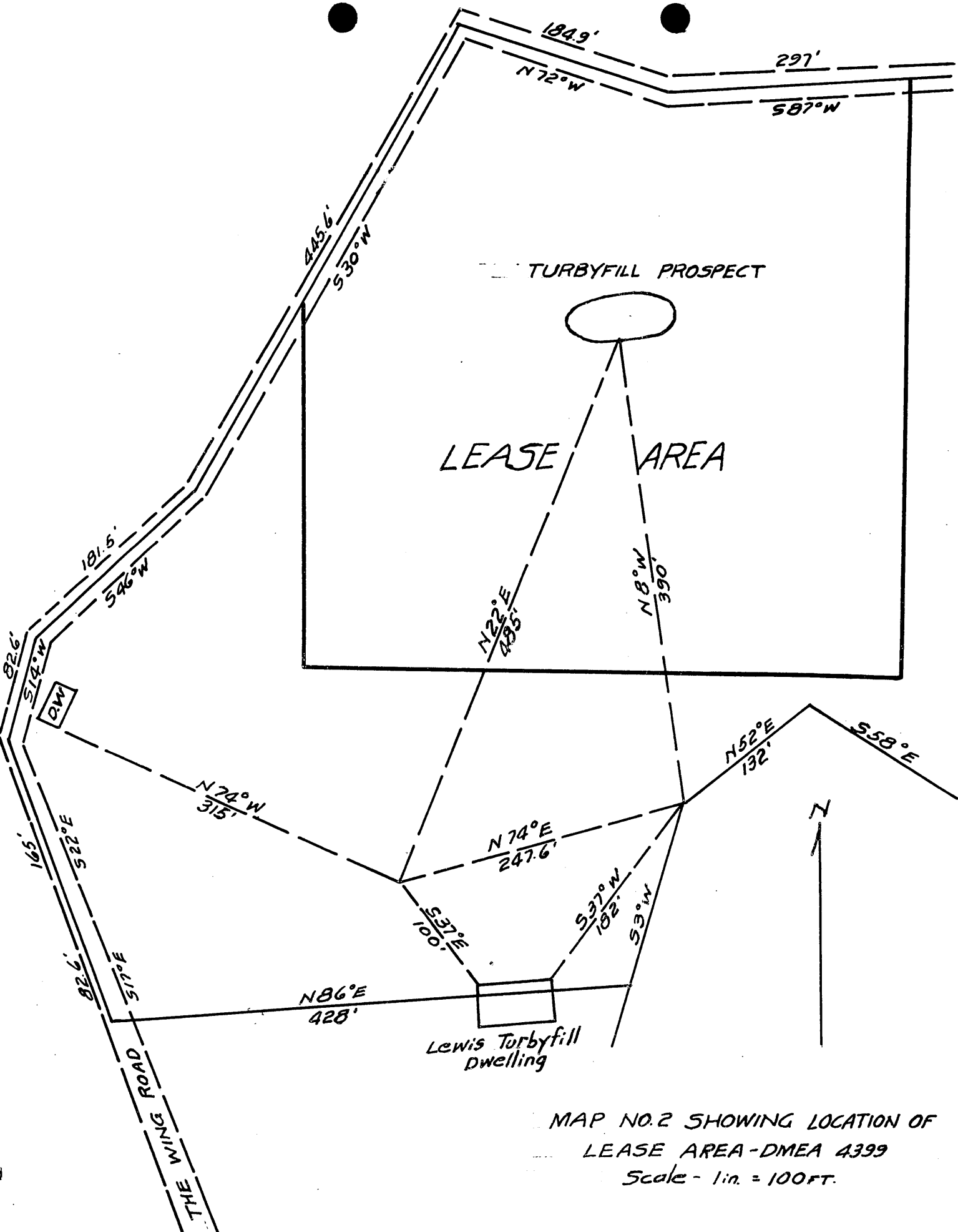
Stage I - Trenching	105.00
Stage II - New buildings	115.00
60 feet of shaft @ $44/ft	2640.00
80 feet of drifts and/or X-cuts @ $33/ft.	2640.00
Total	$5,500.00

Economics and Costs - The Nonmetallic Minerals Division reduced the Field Service estimated unit costs based on the following factors:

1. Equipment rental was reduced to $250/month
2. Rate of daily advance in the case of of semi-weathered to weathered material was increased to:
   (a) Shaft sinking - 1.8 feet/day
   (b) Drifting - 2.3 feet/day.

Comments: Only $105 will well be visited on this project if bulldozing does not expose a favorable pegmatite. Stage II will be confined to pegmatite

Recommendations: The Nonmetallic Minerals Division and the community members of the Bureau of Mines and Geological Survey concur in the Field Service recommendation for a two stage project.



MAP NO. 2 SHOWING LOCATION OF
LEASE AREA - DMEA 4399
Scale - 1 in. = 100 FT.

SEP 28 1956

Messrs. Mack George, Brown Sparks,
Sam and John Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. BMLA-4399-mica
Mack George, Brown Sparks,
Sam and John Phillips
Turbyfill Mine
Mitchell County, North Carolina

Gentlemen:

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

When examination was made of your property on August 21, 1956, you were requested by the examining engineers to submit a tie-in, that is bearing and distance, of the beginning iron stake of the lease to a permanent object or corner of the land covered by a recorded deed. Also, please furnish the book and page number of the official records of the subject county.

Processing of your application will be held in abeyance pending receipt of the requested data.

Sincerely yours,

Walter G. Anderson, Acting Chief
Nonmetallic Minerals Division

WGAnderson:ma 9/27/56
Copy to: Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

RETURNED 10/15/56
WITH NOTE ON ORIGINAL
GIVING BOOK #88
& PAGE NO #14
& MAP

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

September 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4399 (mica)

Applicant: M. Gouge, R. Sparks, S. Phillips and J. Phillips

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

Date of Field Team Report: 9/7/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/17/56

Field Team Recommendation: Recommend a 2-stage exploration project.

Comments:

1. Mica has been produced from this property but the details of operation are not known and old workings are inaccessible.

2. Strategic mica was observed on the old dumps.

3. 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 a 2-stage unit-cost contract.

W. F. Dietrich

IN REPLY REFER TO:

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

September 19, 1956

Re: DMEA 4399 (nlcm)
Mack Gouge and partners
Turbyfill Mine
Mitchell Co., N. C.
Appl. est. - $6,850.00
Rec'd. est. - $6,173.00

Memorandum

To: L. G. Rouk, 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 2- to 4-foot pegmatite in hornblende gneiss, by bulldozing, shaft sinking, and drifting.

Old time work was done on a pegmatite with essentially unknown results. Recent work with a bulldozer exposed a pegmatite probably parallel to the one previously explored. Little mica is visible at any place and no production is known to have been made.

The examiners and Field Team recommend a 2-stage work program consisting of bulldozing, shaft sinking and drifting.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

NENelson:iml
G-9/19/56

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

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

RECEIVED
SEP 13 1956

September 11, 1956

Memorandum

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

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

Subject: Field Examination Report, DMEA-4399 (Mica)
Mack Gouge, Brown Sparks, Sam Phillips and John Phillips
Spruce Pine, North Carolina
Turbyfill Mine, Mitchell County, North Carolina

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

A two-stage project is recommended. Please note that the Operators have been requested to submit a tie-in from the leased area to a permanent corner. We will forward this when it is received.

Robert A. Laurence
Executive Officer

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

RAL/mg
Enclosures 13
cc - Operating Committee (3)
Mr. V. J. Lynch
Mr. L. E. Shirley
File

RECEIVED
SEP 18 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

ON

DMEA -4399, TURBYFILL MINE (mica)
Mitchell County, North Carolina

BY

D. H. Amos, Geologist
U.S. Geological Survey

and

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

September 7, 1956

Reviewed by
Dmea Operating Cmte
9-17-56

RECEIVED
SEP 12 1956

FIELD EXAMINATION REPORT

DMEA-4399(mica) Turbyfill Mine

Applicant: Mack Gouge, Brown Sparks, Sam Phillips and John Phillips (Partners) Spruce Pine, N.C.

SUMMARY

Only a few exposures of pegmatite are present in shallow old workings at this mine. Mica of strategic quality occurs in the dump of these workings. It is recommended that exploration assistance be granted. The work should be staged.

Location

The Turbyfill Mine is 0.4 airline miles S 38° W of Ledger, Mitchell County, North Carolina.

General

The property was examined August 21, 1956. Messrs. Brown Sparks, Preston Young, Jim Young, John and Cecil Phillips and Jesse Turbyfill accompanied the examiners on the inspection which required about 1 1/2 hours.

The property is held under lease by the applicants and is adequate for the proposed work. No comtemplated work will be near a property line. The applicants have been requested and have agreed to furnish a tie-in (bearing and distance) of the beginning iron stake of the lease to a permanent object or corner of a recorded deed.

All of the applicants have had considerable mica mining experience and are competent to do the proposed exploratory work. The partnership is financially responsible.

Access is available to within about 150 feet of the mine by an all-weather gravel road and the remaining distance is a jeep trail. Electric power is about 100 yards from the property. Equipment, supplies and manpower are all locally available. Water is obtainable nearby.

No surface facilities are present on the property.

Previous work

Considerable mining was first done about 60 years ago on this property. This operation consisted of sinking a series of pits along the strike of the pegmatite (see attached map). All the work was limited to shallow depths, generally less than 20 feet, and was conducted by use of hand tools.

During World War II a production loan was obtained from Colonial Mica Corporation to sink a vertical shaft in the hanging wall at the southwest end of the body. This shaft is reported to be 80 feet deep and to not have intersected pegmatite. A planned crosscut northwestward from the shaft bottom was not done as the funds advanced were exhausted. The depth of the shaft was taped by the examiners to a depth of 65 feet with the water level being at 54 feet.

In the late 1940's Messrs. Preston and Jim Young sank a 35-foot shaft southwest of all previous workings and did about 30 feet of level work from the shaft bottom. Some mica is reported to have been obtained from this work. This shaft has since been filled

A 44-foot vertical shaft is present in the hanging wall near the northeast end of the works. It is not known when this shaft was sunk, nor if any level work was done from it. The small size of the dump suggests that no level work or only a very small amount was done. Pegmatitic material occurs on the dump.

About a month ago the applicants made a bulldozer cut northeast from all previous workings in an attempt to discover the pegmatite along its strike in this direction. A pegmatite was uncovered but may not be the same one on which previous mining was conducted (see attached map).

Past production from this mine is not known.

Geology

Little information concerning the pegmatite can be obtained as most of the old works are caved and partially filled. A conformable pegmatite 2 to 4 feet thick is exposed in a 20-foot shaft near the southwest end of the mine. It strikes N 35° E and dips 78° to the southeast. The body consists of kaolinized plagioclase, quartz and muscovite. No zoning is apparent. Toward the northeast from this exposure the trend of the openings and the strike of the foliation of the wall rock gradually changes to about N 50° E. Pegmatite exposed in the bulldozer trench consists of perthite, quartz and sparse muscovite. The body is probably not the same pegmatite on which past operations have been conducted. The country rock where observed is semi-weathered hornblende gneiss.

Muscovite present on the old dumps is of strategic quality. It is green in color, clear, and free splitting. Some is slightly curved and cracked.

Recommendations

It is recommended that exploration assistance be granted. As the thickness and the mineralogy of the pegmatite are only poorly known, the work should be staged; Stage I to consist of exposing the pegmatite along strike by bulldozing, to be followed, if results of the dozing is promising, by sinking a shaft and drifting under Stage II. The small size of the dumps in the area of proposed work suggests no extensive underground works.

Proposed Work and Estimated Costs

STAGE I

Excavate a trench to expose the pegmatite along the strike as shown on the attached map. The approximate dimensions of the trench should be 125 feet by 15 feet wide by 5 feet deep but not to exceed 350 cubic yards.

350 cu.yds. @ $0.30/cu.yd.	$105.00

STAGE II Construct:

Toolhouse (7' x 8' x 10')	$75.00
Powder Magazine	25.00
Exploder Magazine	15.00

Sink 60 feet of inclined or vertical two-compartment shaft on pegmatite. This shaft to be 5' x 7' in cross-section, timbered where necessary and to have a separate manway.

Labor: (40 shifts)

1 -Foreman-miner @ $1.75/hr.....	$560.00
1 - Hoistman @ $1.50/hr.....	480.00
1 - Laborer @ $1.00/hr.....	320.00

Supplies:

Gasoline and oil	150.00
Explosives	225.00
Small tools, pipe & nails	120.00
Drill steel	110.00
Timber,3000 b.f. @ $65/M	195.00
Liability Ins. & Soc. Sec.	152.00
Sales Tax	24.00

Operating Equipment:

1 - 105 -aircompressor with hose @ $200/Mo.	400.00
1 - Hoist @ $50/Mo.	100.00
1 - Air Rock hammer @ $40/Mo	80.00
1- " Sump Pump,#25 or equiv. @ $85/Mo.	170.00

Estimated cost of shaft sinking $3086.00

Drive 80 ft of drift 5' x 7' in cross-section, timber where necessary-

Labor: (40 shifts)

1- Forman-Miner @ $1.75/hr	560.00
1- Hoistman @ $1.50/hr.	480.00
1- Laborer @ $1.00/hr	320.00

Supplies:

Gasoline and oil	140.00
Explosives	240.00
Drill steel	120.00
Timber-1000 b.f. @ $65/M	65.00
Miscellaneous	50.00
Liability Ins. and Social Security	152.00
Sales tax	20.00

Operating Equipment:

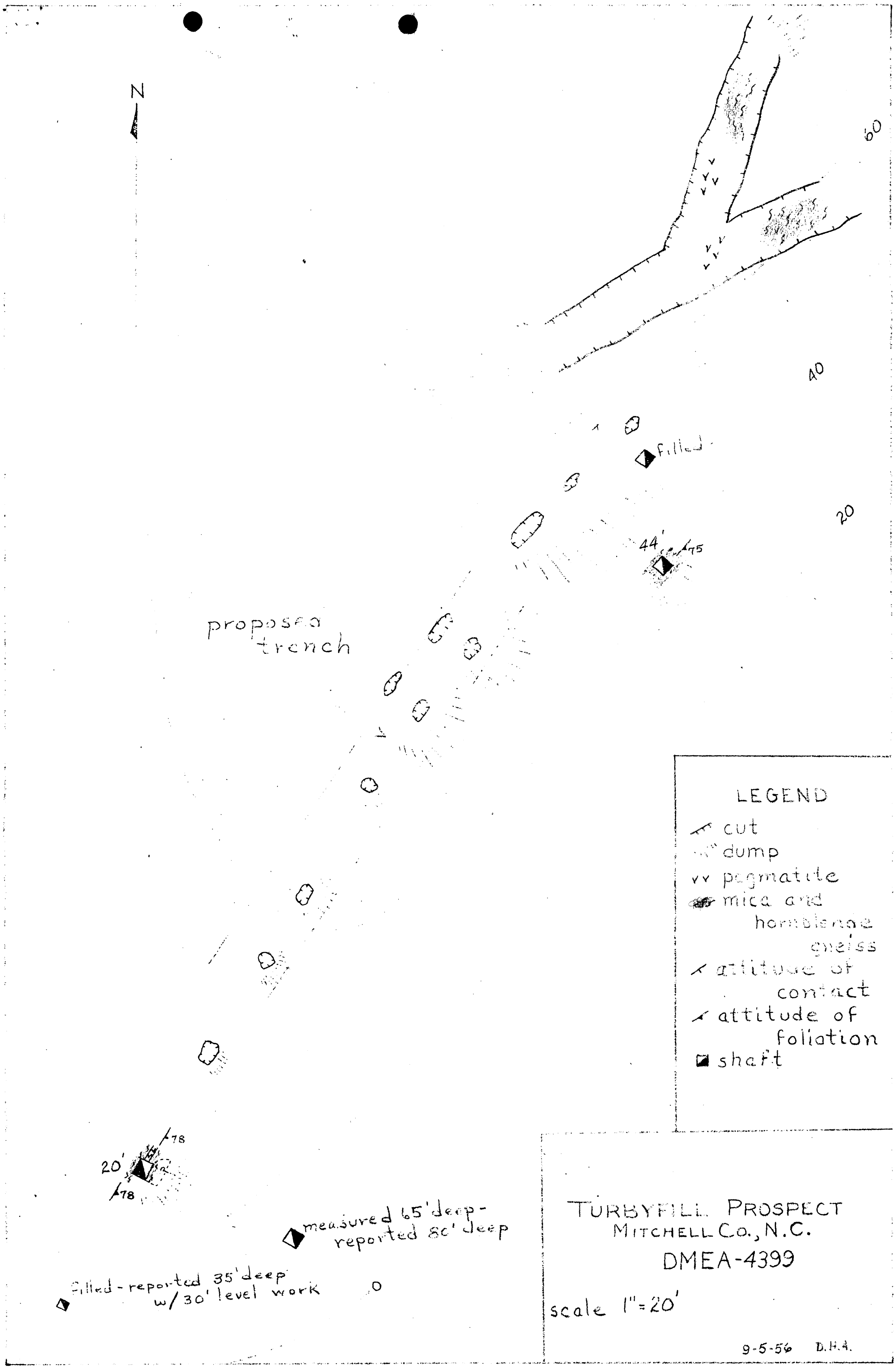
1-105-c.f.m Compressor with air hose @ $200/Mo.....	$400.00	
1 --Hoist @ $50/Mo.....	100.00	
1- Jackleg (air) @ $25/Mo.	50.00	
1 - Sump Pump @ $85/Mo....	170.00	
Estimated total cost of drifting.....		$2867.00
Estimated total cost of project.....		$6173.00

Sept.7, 1956

D. H. Amos, Geologist, U.S.G.S.

L. E. Shirley, Mining Engineer, U.S.B.M.

z


N
60
40
20
filled
44'
75
proposed trench
LEGEND
cut
dump
pegmatite
mica and hornblende gneiss
attitude of contact
attitude of foliation
shaft
78
20'
78
measured 65' deep - reported 80' deep
filled - reported 35' deep w/ 30' level work
0
TURBYFILL PROSPECT
MITCHELL CO., N.C.
DMEA-4399
scale 1" = 20'
9-5-56 D.H.A.

600

AUG - 3 1956

Messrs. Mack Gouge, Brown Spurks,
Sam and John Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4399-mica
Mack Gouge, Brown Spurks,
Sam and John Phillips
Turkyfill Mine
Mitchell 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. Lagrenade, 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,

G. O. Mittendorf

Administrator

WCAnderson:ms 8/1/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Killagnard, 5222
Mr. Dietrich, 3061
Mr. Hunk
Admr. R. File

600

AUG - 3 1956

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

Re: Docket No. DMEA-4399-mica
Mack Gouge, Brown Sparks,
Sam and John Phillips
Turkyfill Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

Copies of memoranda dated July 30, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed.

Sincerely yours,

W. [illegible] Barnes

[illegible] Chairman, Operating Committee

Approved:

/s/ Robert W. Graham

Member, Bureau of Mines

N. E. Nelson

Member, Geological Survey

Enclosures: 4

WGAnderson:ms 8/1/56
Copy to: Docket
Operating Committee
Mr. Killagsard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

IN REPLY REFER TO:

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

RECEIVED
JUL 31 1956

July 30, 1956

Re: DMEA 4399
Mack Couch, Brown Sparks,
Sam and John Phillips
Turbyfill Prospect
Mitchell Co., N. C.
$6,850.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicants request assistance in exploring an old mine on the dump of which is evidence that good mica was produced. The proposed work consists of the standard bulldozing, shaft sinking and drifting.

Referral of the application to the Field Team for an evaluation of the evidence on the dump is recommended.

N. E. Nelson

N. E. Nelson

NENelson:btr
G 7/30/56

cc: W. F. Dietrich, 3061
Director's reading file (4212) GSA
Branch reading file (4212) GSA
DMEA (3)
Chron. file
Docket file

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

RECEIVED
JUL 30 1956

July 30, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4399 (mica)

Applicant: Mack Gouge, Brown Sparks, Sam Phillips, and John Phillips (Partners) Spruce Pine, N. C.

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/26/56

Comments:

1. No data are available in this Office on past production.

2. Applicants state that the deposit was prospected by hand methods 50 years ago, and that the dump shows evidence that good quality mica could be produced. They request assistance for an exploration project estimated to cost $6,8500.00.

3. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

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.

Signed
W. F. Dietrich

Attachment

7/26

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

JUL 26 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. 4399
Metal or Mineral Mica
Date Received 7-26-56
Estimated Cost $6850
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—Write here your full legal name, the form in which you will wish to contract, and your mailing address: Mack Gouge, Brown Sparks and Sam Phillips and John Phillips Partnership 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 attached lease.

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

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

(*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. Not land owner.

(*e*) If you own the land, describe any liens or encumbrances on it none

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

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

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.

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

☐ 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 July 24, 1956

Mack Gongo, Brown Sparks, Sam Phillips and John 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
JUL 26 1956

MF-103 (Continuation Sheet)

4. (a) This mine was mined fifty years ago, only hand prospecting was done. Applicant has no interest in previous operation.

(B) No records available.

(c) Dump leaves evidence that good mica was produced.

(d) Project is accessible to road.

(e) Manpower, equipment and supplies available, power 200 yds. away, bulldoze to remove overburden and best locate shaft; then lower a 5' x 7' shaft a depth of 60' and drift a distance of 100' with vein.

6. Estimate of cost:

35 hrs. Bulldozing @ $10.00	$ 350.00
60' Shaft @ $50.00 per ft.	3000.00
100' Drift @ $35.00 per ft.	3500.00
Total estimated cost of project:	$ 6850.00

MINING LEASE

RECEIVED
JUL 26 1956

State of North Carolina Mitchell County:

This indenture made this 10 day of July, 1956, ~~[illegible]~~

between Jesse Turbyfill

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Hack Gouge, Brown Sparks and Sam Phillips and John Phillips

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

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

Beginning on an iron stake at the center of the Turbyfill Prospect which is located approximately 150' North of another iron stake, and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located at Ledger, N. C.

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

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

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

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

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

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

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

Witness: x (Signed) Jess Turbyfill (Seal)

(Seal) Kenneth McKinney, Notary Public

_____ (Seal)

_____ (Seal)

RECEIVED
JUL 26 1956

Mack Gouge

Mr. Gouge is 52 years old, was born and brought up in Mitchell County, attended school in Bakersville, N.C. He is presently employed by State Highway Dept. and has been for twenty-two years.

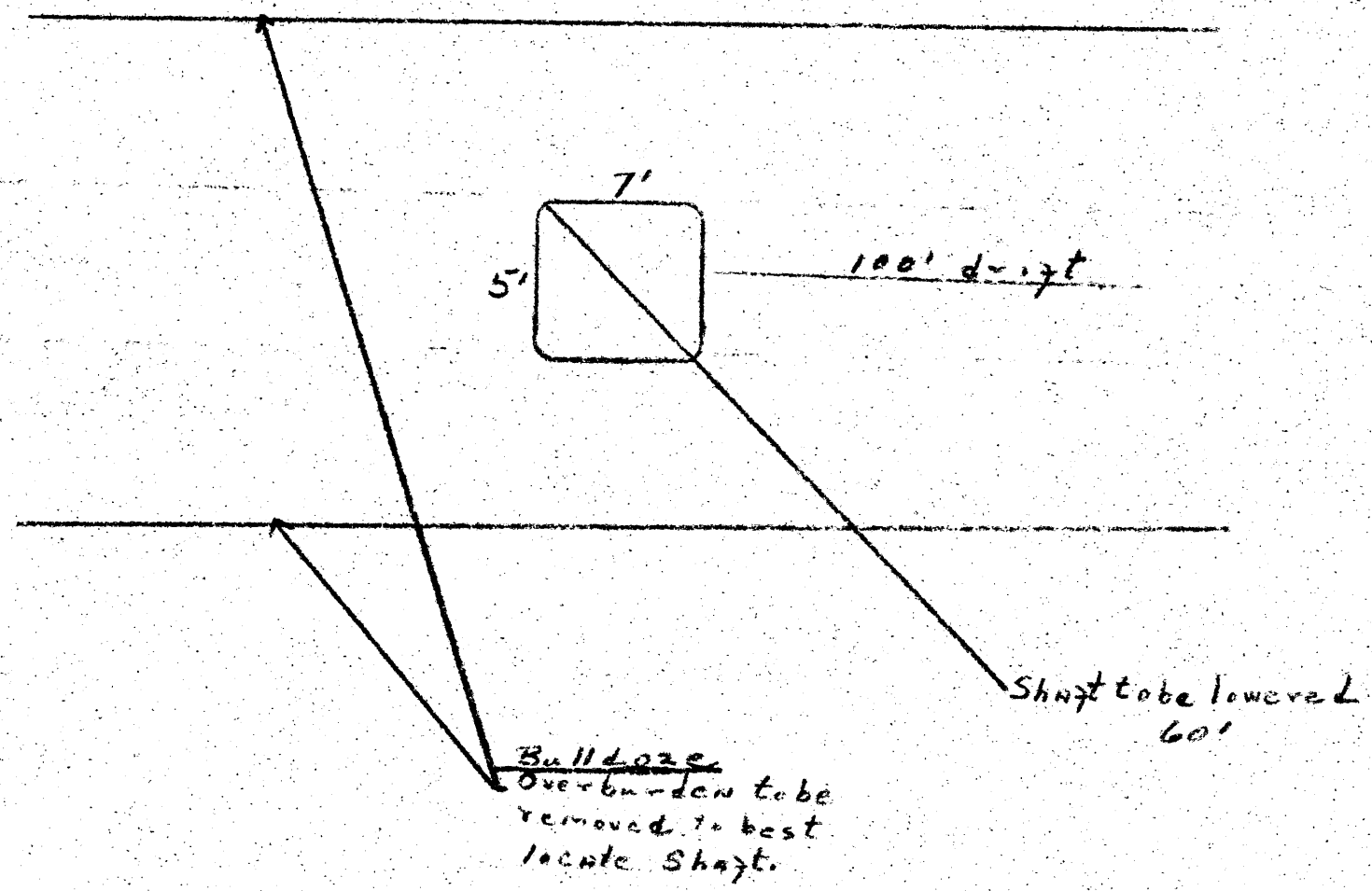
Has good reputation in the community and he lists the following references:

Mr. C.W. Ellis
Route #3
Bakersville,N.C.

Mr. O.V. Coulter
Spruce Pine,N.C.

Mr. Ed Fortner
Spruce Pine,N.C.

Turkyzill Prospect

Mitchell

N. C.