DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4408

DO NOT DETACH THIS SLIP

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

This document has been recorded as

Exploration Project

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

Routing Slip Cys to USGS, BM, REG.V,

To:	600	Date	8/6/56
To:	MR. HOPKINS	Date	8/6/56
To:	Open Com	Date	8-16-56
To:	F.E. Johnson	Date	8-17-56
To:	Open Com	Date	9-21-56
To:	F.E. Johnson	Date	9-24-56
To:	C.M.	Date	9-24-56
To:	Mt 7	Date	9-24-56
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

cw

Docket Copy
Surname:

Hopkins
Andrews
Kilsgaard
Lamb
Selvidge
Fitzsimmons

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

600

SEP 2 4 1956

Mr. Howard Hoyle
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4408-Mica
Howard Hoyle
Forney Prospect
Mitchell County, North Carolina

Dear Mr. Hoyle:

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

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

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

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

Sincerely yours,

E. O. Mittendorf
(Type)
Administrator

JHopkins:gad 9/19/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

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

September 19, 1956

Memorandum

To: Administrator

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

Subject: Denial of exploration assistance and summary report

By: James Hopkins

1. Docket No. DMEA-4408-Mica
Property: Forney Prospect
Mitchell County, North Carolina
Applicant: Howard Hoyle
Route #3, Bakersville, North Carolina
Application: Dated July 31, 1956

Work Proposed:

Bulldozing shaft site	$200.00
60' Shaft @ $50.00/foot	3,000.00
80' Drift @ $35.00/foot	2,800.00
Total estimated cost	$6,000.00

No contract: Application denied

2. Comments:

Recent bulldozing by the applicant discovered and exposed a mica-bearing pegmatite. Most of the muscovite is not of strategic quality or size. The cut is 80 feet long and 4½ feet deep and exposes pegmatite for a strike length of 60 feet. The pegmatite is conformable to a biotite gneiss and is 3' to 4' thick. It is composed of medium-grained plagioclase quartz and muscovite. No zoning is apparent.

The muscovite is greenish brown in color, flat and free splitting. Most is heavily mineral stained and not of strategic quality.

The Field Team recommends denial of the application.

The Nonmetallic Minerals Division and the Commodity Divisions of the Geological Survey and the Bureau of Mines concur in the recommendation.

James Hopkins
Nonmetallic Minerals Division

IN REPLY REFER TO:

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

September 19, 1956

Re: DMEA 4408
Howard Hoyle
Forney Prospect
Mitchell Co., N. C.
Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in exploring a pegmatite, by bulldozing, shaft sinking and drifting. No work had been done, but after the application was filed a sidehill trench 80 feet long and 4½ feet deep on the uphill side had been bulldozed. The cut exposed a pegmatite 3 to 4 feet thick for a length of 60 feet.

The mica contained in the pegmatite is small and most of it is not of strategic quality. The pegmatite is not zoned and gives no indication that further work will reveal more and better mica.

The examiners and Field Team recommend denial of the application. I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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-4408 (mica)

Applicant: H. Hoyle

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

Date of Field Team Report: 9/4/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/13/56

Field Team Recommendation: Recommend denial of subject application.

Comments:

1. The mica in the pegmatite exposed by recent bulldozing was heavily stained and too small to yield trimmed sheet.

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

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 16 POST OFFICE BLDG
KNOXVILLE 2, TENN.

RECEIVED
SEP 12 1956

September 10, 1956

Memorandum

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

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

Subject: Field Examination Report, DMEA-4408 (Mica)
Howard Hoyle, Route 3, Bakersville, N. C.
Forney Prospect, Mitchell County, North Carolina

Enclosed are the original and three copies of the subject examination report. We agree with the recommendation for denial.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

Reviewed by
DMEA OPERATING COMMITTEE
9-14-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT, REGION V

On

DMEA-4408 (mica) FORNEY PROSPECT
Mitchell County, N. C.

By

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

and

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

RECEIVED BY
DMEA OPERATING CONCERN
9-14-56

September 4, 1956

RECEIVED
SEP 1 1956

FIELD EXAMINATION REPORT

ON

DMEA 4408 (mica) FORNEY PROSPECT

Applicant: Howard Hoyle, R#3, Bakersville, North Carolina

Summary

Recent bulldozing by the Applicant has discovered and exposed a mica-bearing pegmatite. Most of the muscovite is not of strategic quality or size. It is recommended that the application for exploratory assistance be denied.

Location

The Forney Prospect is on the crest of Big Ridge 2.03 airline miles N 17° E of Boonford, Mitchell County, North Carolina.

General

The prospect was examined September 4, 1956. Messrs. Howard Hoyle, Brown Sparks and Sam Phillips accompanied the examiners on the inspection which required one hour.

The property is held under lease by the Applicant. Access is available to the propect by about one miles of poor jeep road from the head of Rebels Creek. No surface facilities exist on the property.

A side hill cut was bulldozed by the Applicant after the application was submitted in order to better expose an outcrop of pegmatite. This cut is about 80 feet long and 4 1/2 feet deep on the uphill side and has discontinuously exposed a pegmatite for about 60 feet along strike.

No mica has been produced from this property.

Geology

A conformable pegmatite 3 to 4 feet thick is exposed in the cut. It strikes N 40° E and dips 78° to the southeast. The body consists of medium-grained plagioclase, quartz and muscovite. No zoning is apparent. The enclosing country rock is biotite gneiss.

The muscovite is greenish brown in color, flat and free-splitting. Most is heavily mineral stained and not of strategic quality. Almost all of the mica observed is too small in size to yield trimmed sheet.

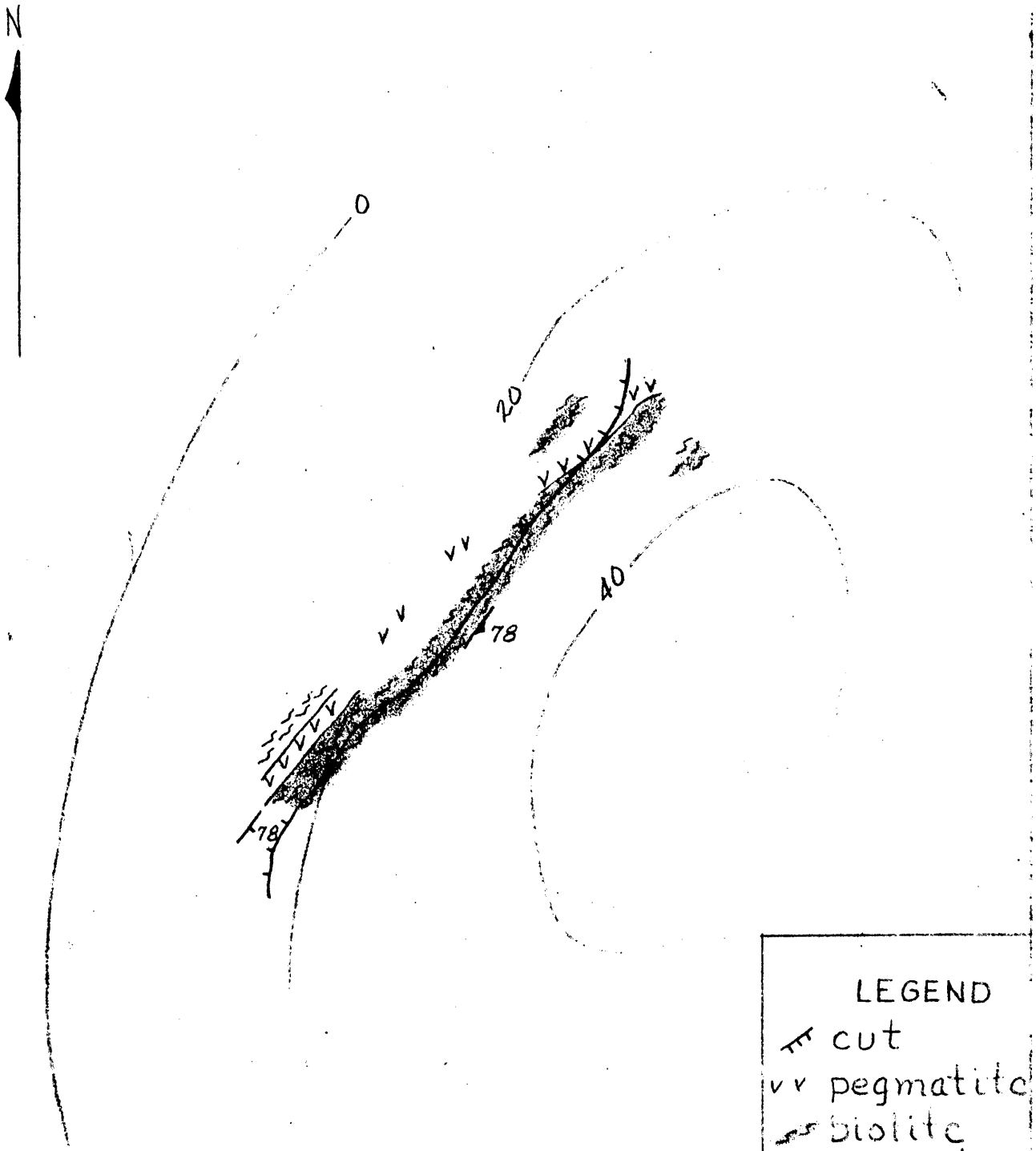
Recommendation

As most of the mica is not of strategic quality because of heavy mineral staining and is too small in size to yield sheet, it is recommended that the application for exploratory assistance be denied.

September 4, 1956, examined.

D. H. Amos, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines



LEGEND

- cut
- pegmatite
- biotite gneiss
- attitude of contact
- attitude of foliation

FORNEY PROSPECT

MITCHELL CO., N.C.

DMEA-4408

9-6-56

scale 1" = 20'

RECEIVED
SEP 1 2 1956

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

DOCKET COPY
Surname:

Yours
Selfridge
JHopkins

1956

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

Re: Docket No. DMEA-4408-mica
Howard Hoyle
Forney Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated August 7 and 10, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

FRANK D. LAMB
Member, Bureau of Mines

N. E. Nelson
Member, Geological Survey

Enclosures: 4

JHopkins:ms 8/16/56
Copy to: Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

600

DOCKET COPY
Surname:

Houk
Selfridge
Johnson

AUG 17 1956

Mr. Howard Hoyle
Route #3
Bakersville, North Carolina

Re: Docket No. DMEA-4408-mica
Howard Hoyle
Forney Prospect
Mitchell County, North Carolina

Dear Mr. Hoyle:

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

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

Sincerely yours,

G. O. Mittendorf

Administrator

JHopkins:ms 8/16/56
Copy to: Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

RECEIVED
AUG 10 1956

August 10, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4408 (mica)

Applicant: H. Hoyle

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/6/56

Comments:

1. This is a new prospect and no data available in this office on this property.

2. Applicant states that a pegmatite outcrops on the property.

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

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

Attachment

IN REPLY REFER TO:

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

RECEIVED
AUG - 8 1956

August 7, 1956

Re: DMEA 4408
Howard Hoyle
Forney Prospect
Mitchell Co., N. C.
$6,000 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring by bulldozing, shaft sinking and drifting, a pegmatite on which no work has been done but which promises good mica if work is done.

Referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

August 6, 1956

Mr. Howard Hoyle
Bakersville, Route 3
North Carolina

Subject: DMEA 4408
Re: Exploration Assistance
Forney Prospect

Dear Mr. Hoyle

The receipt of your application dated July 31, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 4408 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
AUG - 3 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. 4408
Metal or Mineral Mica
Date Received 8-3-56
Estimated Cost $6000
Participation (Government %)

INSTRUCTIONS

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

(*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. Forney Prospect

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 7-31-56, 195__

Howard Hoyle
Howard Hoyle (Applicant)

By.....

.....

.....

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

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

RECEIVED
AUG - 3 1956

MF-103 (Continuation Sheet)

4. (a) No previous prospecting done.

   (b) No past production; new prospect.

   (c) An outcropping of vein for some distance indicates that good mica may be found by exploration work.

   (d) Project is accessible to roads and shipping.

   (e) Manpower, equipment and supplies are available. Power is 200 yards away.

5. (b) We propose to bulldoze away overburden and expose pegmatite which is now partly visible, lower a 5'x7' shaft 60 feet deep; then drift with vein 80 feet.

6. Estimate of costs:

20 Hours Bulldozing @ $10.00 per hour	$ 200.00
60' Shaft @ $50.00 per foot	3000.00
80' Drift @ $35.00 per foot	2800.00
Total estimated cost of project	$ 6000.00

Howard Hoyle

RECEIVED
AUG - 3 1956

Mr. Hoyle, now 37 years old, was born and brought up near Bakersville, N. C. He attended county schools and Bowman High School in Bakersville.

He has done some mining for himself and his father, but has been employed mainly as a mechanic for various garages. He is presently employed by Black Buick Company in Spruce Pine.

Mr. Hoyle has a fine reputation in the community. He lists the following references:

Mr. Edward Fortner
Spruce Pine, N. C.

Mr. Lloyd Black
Black Buick Co.
Spruce Pine, N. C.

Mr. Roy Grindstaff
Bakersville, Route 3
N. C.

MINING LEASE

RECEIVED
AUG - 3 1956

State of North Carolina Mitchell County:

This indenture made this 31 day of July, 1956, 195~~3~~,

between Dan Jarrett

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Howard Hoyle

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

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

Beginning on a stake at the center of the Forney Prospect which is located about 350' North to a large Cucumber tree, this being the corner in the property line between Frank Grindstaff and Dan Jarret as given on deed recorded in Book No. 115, Page 61, in Register of Deeds Office, Bakersville, N.C.; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. This property located on the head of Rebel's Creek in Mitchell County.

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

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

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

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

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

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

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

Witness: Dan Jarrett (Seal)

(Seal)

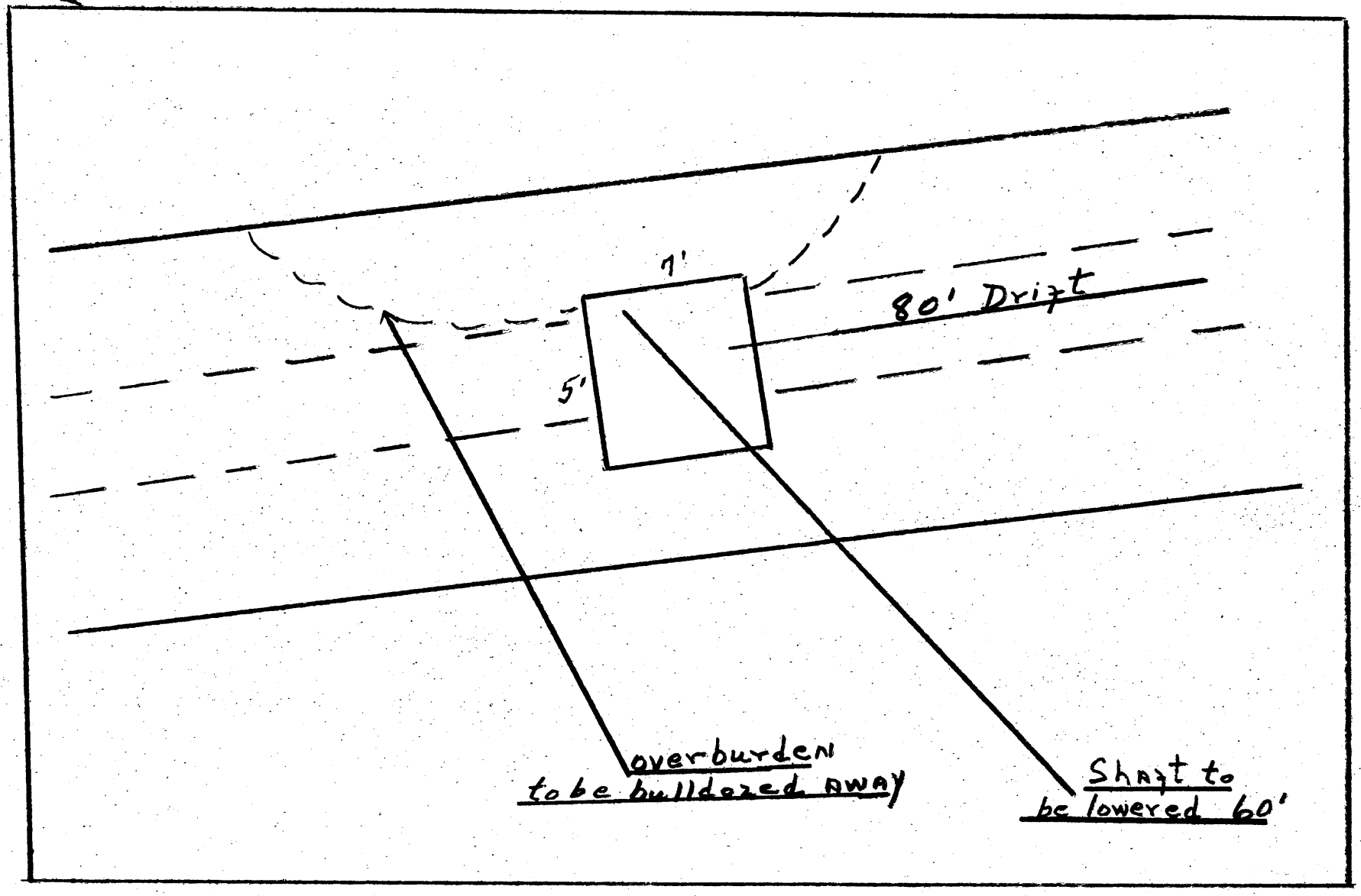
Kenneth R. MacLeece (Seal)
Notary Public
My Com Exp Dec 8/17/57

Consent to Lien forms are being prepared and will follow.

RECEIVED
AUG - 3 1956

RECEIVED
AUG - 3 1956

Forney Prospect
Mitchell County
N. C.



Sam L. Phillips
Spruce Pine, N.C.

Mr. Lawrence G. Hawk, Chief
Nonmetallic Minerals Division
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