Docket Copy
Surname:
Anderson
Houk
Lamb
Nelson
Selfridge
Heffman

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

DEC - 7 1956

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4441-Mica
Sam L. Phillips
Red Mine Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

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.

Previous work on this property under Docket No. DMEA-3008, Contract No. Idm-E560, disclosed strategic mica which served as a basis for a certification of discovery or development. The work also revealed that the probability of disclosing additional significant reserves of mica is not sufficient to justify further Government participation. Therefore, we regret to advise you that your application for exploration assistance is denied.

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 11/29/56
Rewritten
LGHouk:gad 12/6/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Operating Committee

R.S.L.

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

November 29, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Evaluation of Application and Field Examination Report.
Docket No. DMEA-4441-Mica
Sam L. Phillips
Red Mine Prospect
Yancey County, North Carolina

Denial of application is recommended.

Comments: This is the same property that was explored and certified under Contract No. Idm-E560, dated July 2, 1953 (Docket No. DMEA-3008). The applicant stated that both he and the lessor were unaware of the certification, dated June 21, 1954. While the applicant did not specifically ask to withdraw the application, he stated on learning of the earlier contract and certification, that he did not expect that the application would be approved.

Workings under the prior contract: Shaft 30 feet deep from the bottom of which 30 feet of drifts were driven, and 30 feet of trench excavation from which 30 feet of drift were driven. There are three drift headings in pegmatite. Government contribution amounted to $3,960.00.

Production under prior contract: Amounted to $510.25 worth of mica for which a royalty of $25.51 was paid. No work has been done since completion of the contract and the mine is now full of water, making it impossible to make a field examination as requested by this office.

Recommendations:

1. By the Field Team: Because the logical place to resume work would be at the existing drift headings, they consider the work would be development or mining and, therefore, recommend denial.
2. By the Geological Survey Commodity Member: Inferred that the previous work "sampled the pegmatite to the extent merited and more of the same is not recommended."

3. By the Bureau of Mines Commodity Member: Since this is an old DMEA contract that was certified and only a small amount of mica has been produced, additional exploration work is not merited.
4. By the Nonmetallic Minerals Division: The foregoing outline is convincing enough to not recommend further exploration work at the subject property.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

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

RECEIVED NOV 29 1956

November 29, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4441 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Red Mine Prospect, Yancey County, N. C.

Date of Field Team Report: 10/16/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/22/56

Field Team Recommendation: Recommend denial of application.

Comments:

1. This is the same prospect on which exploration work was conducted under DMEA 3008, Idm-E 560.

2. This project was certified as a discovery on June 21, 1954.

3. Total production was $510.25 worth of mica.

4. Additional exploration work on this prospect does not appear to be warranted.

Recommendation:

I concur with the recommendation of the field team for denial.

W. F. Dietrich

W. F. Dietrich

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

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

November 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4441-Mica. Sam Phillips, Spruce Pine, N. C.
Red Mine, Yancey County, N. C.

Reference is made to your letter of October 30.

No Field Examination report was prepared, as there was nothing new to report. The shaft was full of water and very little work has been done since the time of the March 3, 1954 final report on DMEA-3008 and Mr. Shirley, who was one of the authors of that final report was also a member of the present examining team. A report by W. A. Beck, dated July 12, 1954, showed that work was discontinued almost immediately after completion of the contract work several weeks earlier. Thus, there seemed to be no use wasting time in making a full examination of the prospect now.

It is impossible to tell, from the Applicant's map, what relation his proposed work bears to the workings of the previous contract. However, the final report on DMEA-3008 shows all three headings to be in pegmatite, so that the logical place to resume work would be in the headings, which we would consider to be development or mining. That is the reason for recommending denial.

The Applicant did not specifically ask to withdraw his application but stated on learning of the earlier contract and certification, that he did not expect that the application would be approved.

Please make the following correction in our memorandum of October 16, 1956: After the last comma in the second sentence, insert the word "representing."

From a study of the application, one is almost forced to conclude that the Applicant had not seen the prospect when the application was prepared.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch
V. J. LYNCH
MEMBER, BUREAU OF MINES

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 107 OUT OFFICE BLDG.
KNOXVILLE 2, TENN.

RAL/zm
cc:
Opr. Com-2
Lynch
Shirley
Biles

November 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4441-Mica. Sam Phillips, Spruce Pine, N. C.
Red Mine, Yancey County, N. C.

Reference is made to your letter of October 30.

No Field Examination report was prepared, as there was nothing new to report. The shaft was full of water and very little work has been done since the time of the March 3, 1954 final report on DMEA-3008 and Mr. Shirley, who was one of the authors of that final report was also a member of the present examining team. A report by W. A. Beck, dated July 12, 1954, showed that work was discontinued almost immediately after completion of the contract work several weeks earlier. Thus, there seemed to be no use wasting time in making a full examination of the prospect now.

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From a study of the application, one is almost forced to conclude that the Applicant had not seen the prospect when the application was prepared.

V. J. Lynch
V. J. LYNCH
MEMBER, BUREAU OF MINES

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

Docket Copy
Surname:
Anderson
Houk
Selfridge
Yopes
Kiilsgaard

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

OCT 30 1956

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

Re: Docket No. DMEA-4441-Mica
Sam L. Phillips
Red Mine Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team memorandum of October 16, 1956, recommending that the subject application be denied because of certification of a prior project conducted on the same property under DMEA-3008, Idm-E560.

Is the fact that the property has been certified the reason for recommendation of denial or does the applicant wish to withdraw? We would be pleased to receive the report of the examination on this property in order to make proper analysis of the proposal and to take the necessary action in closing the case.

Sincerely yours,

George C. Selfridge
(by esf)
Chairman, Operating Committee

Approved:

F. F. Yopes (by esf)
Member, Bureau of Mines

Thor H. Kiilsgaard (by esf)
Member, Geological Survey

WCAnderson:gad 10/26/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

RECEIVED
OCT 18 1956

October 16, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4441 (mica) Sam L. Phillips, Spruce Pine, N.C.
Red Mine, Yancey County, N.C.

Reference is made to your letter of Sept. 12, requesting a field examination.

This mine was examined October 3, 1956 by Mr. Taylor of the Geological Survey and Mr. Shirley, of the Bureau of Mines in company with John Phillips, the applicant. It turned out to be the same as the Bennett (Red) mine of DMEA-3008, Idm-E560. That project was completed February 1954, and was certified as a discovery on June 21, 1954. Apparently very little work has been done since that time. Only $25.51 has been paid in royalties to date.

Mr. Phillips stated that the Applicant recently leased the land and was unaware of the certificate of discovery. Denial of the application is recommended.

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

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

z

IN REPLY REFER TO:

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

RECEIVED
OCT 25 1956

October 23, 1956

Re: DMEA 4441
Sam L. Phillips
Red Mine prospect
Yancey Co., N. C.
$5,950.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The applicant requested assistance in further exploration of a pegmatite on which $4,550 worth of assisted work was done in 1953 and 1954 under Contract Idm-E560, DMEA 3008. Mica to the value of $510.25 was recovered and sold and the project was certified June 22, 1954. No work has since been done on the property.

In the present application the applicant disclaimed knowledge of the recent work but mentioned work done "years ago."

Probably there are other points where money could be spent, but I infer the 1953-54 work sampled the pegmatite to the extent merited and more of the same is not recommended.

I concur with the denial recommendation of the Field Team.

N. E. Nelson

N. E. Nelson

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

RECEIVED
OCT 18 1956

October 16, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4441 (mica) Sam L. Phillips, Spruce Pine, N.C.
Red Mine, Yancey County, N.C.

Reference is made to your letter of Sept. 12, requesting a field examination.

This mine was examined October 3, 1956 by Mr. Taylor of the Geological Survey and Mr. Shirley, of the Bureau of Mines in company with John Phillips, the applicant. It turned out to be the same as the Bennett (Red) mine of DMEA-3008, Idm-E560. That project was completed February 1954, and was certified as a discovery on June 21, 1954. Apparently very little work has been done since that time. Only $25.51 has been paid in royalties to date.

Mr. Phillips stated that the Applicant recently leased the land and was unaware of the certificate of discovery. Denial of the application is recommended.

Robert A. Laurence
Executive Officer, DMEA
Region V

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

z

Docket Copy
Surname:
Anderson
Houk
Lamb
Kiilsgaard
Selfridge.

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

SEP 12 1956

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4441-Mica
Sam L. Phillips
Red Mine Prospect
Yancey County, North Carolina

Dear Mr. Phillips:

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,

Frank E. Johnson (by-es)
ACTING Administrator

WCAnderson:gad 9/11/56
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.S.B.

Docket Copy
Surname:
Anderson
Selfridge
Johnson

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

600

SEP 12 1956

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

Subject: Docket No. DMEA-4441-Misa
Sam L. Phillips
Red Mine Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated August 30 and September 6, 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 (SLB)

Approved:

Frank D. Lamb (SLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (SLB)
Member, Geological Survey

Enclosures 4

WCAnderson:gad 9/11/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.G.

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

September 6, 1956

RECEIVED
SEP - 6 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4441 (mica)

Applicant: S. L. Phillips

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/29/56

Comments:

1. The applicant states that mica was produced from this property but no data available in this office on this property.

2. It appears a field examination is necessary to determine the feasibility of a project.

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:

RECEIVED
SEP - 4 1956

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

August 30, 1956

Re: DMEA 4441
Sam L. Phillips
Red Mine prospect
Yancey County, N.C.
$5,950.00 - Mica

Memorandum

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

From: N. E. Nelson

Subject: Review of application

The applicant requests assistance in exploring a pegmatite by bulldozing, shaft sinking and drifting.

The application says mining was done on the property years ago and ruby mica of good quality was found. No records of the quantity of the mica mined are available. The applicant believes work will reveal more mica.

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

N. E. Nelson

N. E. Nelson

August 29, 1956

Mr. Sam L. Phillips
Spruce Pine,
North Carolina

Subject: DMEA-4441
Re: Exploration Assistance
Red Mine Prospect

Dear Mr. Phillips

The receipt of your application dated August 14, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4441 and referred to the Nonmetallic Minerals Division.

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

Sincerely yours,

Allen S. Dakan
~~Robert E. Adams~~, Chief
Operations Control and
Statistics Division

August 29, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region V

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

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

DMEA
- 4441 Sam L. Phillips
Red Mine Prospect

Robert E. Adams
XXXXXXXXXXXXXn's Control
and Statistics Division

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

RECEIVED
AUG 30 1956

August 27, 1956

Memorandum

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

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

Subject: Application from Sam L. Phillips, Spruce Pine, N. C.
Red Mine Prospect, Yancey County, North Carolina (mica)

Enclosed are three copies of the subject application. The fourth copy is being kept for our use.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

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 29 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. 4441
Metal or Mineral Mica
Date Received 8-29-56
Estimated Cost $5,950
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: Sam L. Phillips
Spruce Pine, N.C.

RECEIVED
AUG 27 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

(*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. Red Mine Prospect.

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

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

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

(*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 8-14, 1956

Sam L. Phillips
(Applicant)

By Sam L. Phillips

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

MF-103 (Continuation Sheet)

4. (a) This property mined years ago. Applicant has no interest in previous work.

(b) Ruby mica of good quality was found. No records of amounts.

(c) With some exploration work, we belive we will find strategic mica.

(d) Project is accessible to roads and shipping.

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

5. (b) We propose to bulldoze away overburden; then lower a 5' x 7' shaft to a depth of 60 feet; then drift with vein a distance of 80 feet.

6. Estimate of cost:

15 hrs. Bulldozing @ $10.00 - - - -	$ 150.00
60 foot Shaft @ $50.00 - - - - -	3000.00
80 foot Drift @ $35.00 - - - - - -	2800.00
Total estimated cost of project:	$ 5,950.00

MINING LEASE

RECEIVED
AUG 30 1956

State of North Carolina Mitchell County:

This indenture made this 14th. day of August, 1956, ~~1955,~~

between

of County and State of North Carolina as party of the first part, and known

as lessor, and

of County and State of North Carolina, party of the second part and known

as lessee.

WITNESSETH, That the part 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:

Begining on an iron stake located at the center of what is known as the Red Mine Prospect, which is located 430 feet South 27 degrees West to a large rock, which is a corner in the property line between John C. McBee, Sr. and Sam L. Phillips; and running 250' North; thence 250' West; thence 500' South; thence 500' East; thence 500' North; thence 250' West to a point of closing. Deed covering this property recorded in Book #116, Page #508, Register of Deeds Office, Burnsville,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

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.

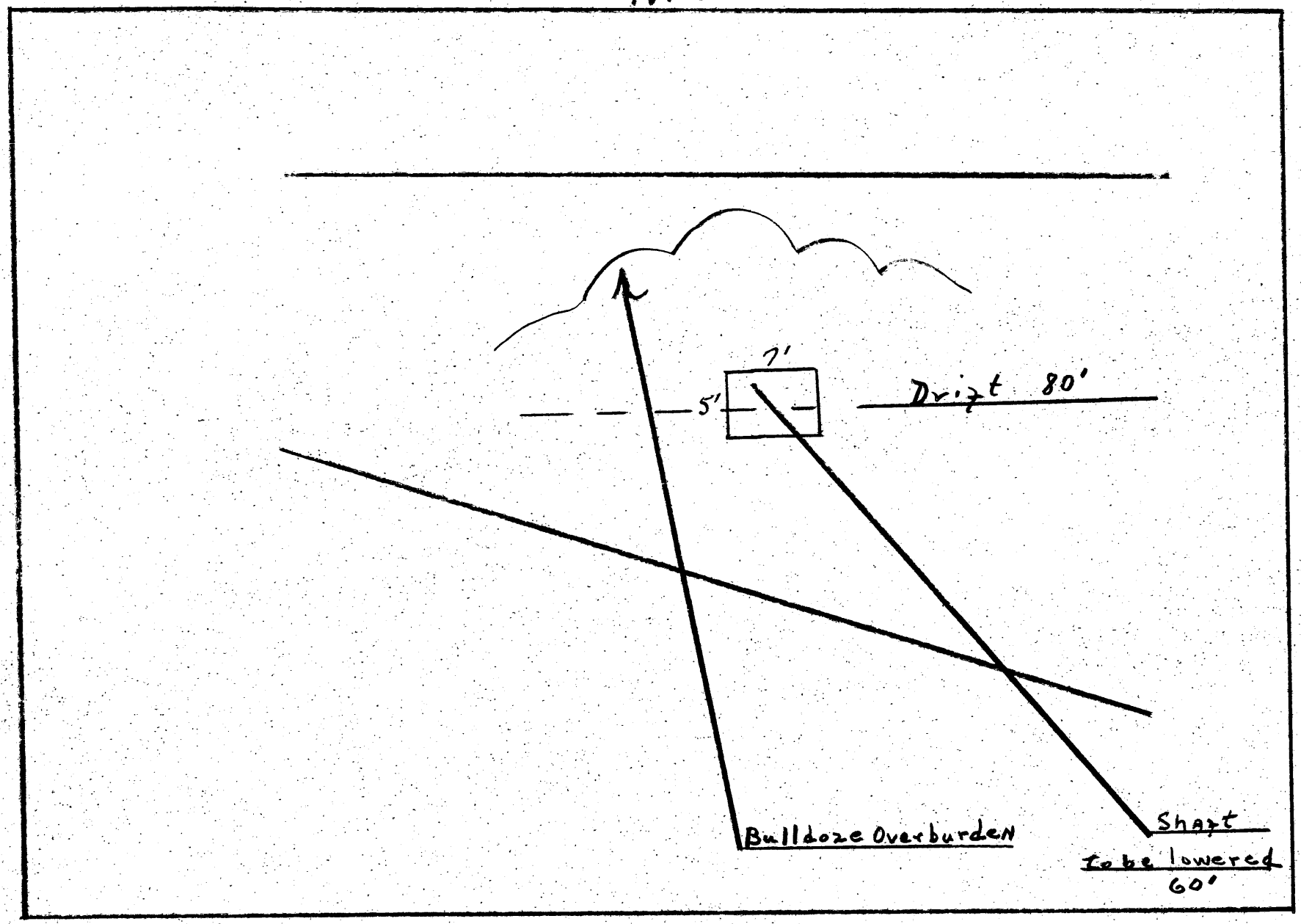
AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of , said purchase price 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: Sam L. Phillips (Seal)

(Seal)

(Seal)

RED MINE PROSPECT
YANCEY COUNTY
N.C.