DMEA Form 1

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA Docket No. 4450

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Copies sent to:

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Routing Slip

To:	600	Date	9/5/56
To:	Mr. Anderson	Date	9-5-56
To:	Oper Com	Date	9-21-56
To:	F.E. Johnson	Date	9-24-56
To:	C Son	Date	9-24-56
To:	M & T	Date	9-24-56
To:	Oper Com.	Date	11-20-56
To:	F.E. Johnson	Date	11-21-56
To:	C Son	Date	11-21-56
To:	M & T	Date	11-23-56
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

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CONTROLLED DOCUMENT

Docket Copy
Surname:
Anderson
Houk
Lamb
Kiilsgaard
Selfridge
Fitzsimmons

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

NOV 23 1956

Messrs. J. R. Beam, John Phillips
and Sam Phillips
C/O Mr. Sam Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4450-Mica
J. R. Beam, John and
Sam Phillips
Barbara Prospect
Mitchell County, North Carolina

Gentlemen:

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 reservex 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,

C. O. Mittendorf
Administrator (By ley)

WCAnderson:gad 11/20/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

RGK:

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

November 20, 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-4450-Mica
J. R. Beam, John Phillips and
Sam Phillips
Barbara Prospect
Mitchell County, North Carolina

Denial of application is recommended.

Mica: Only a few pieces of clear, green mica, 2-inches wide were observed.

Pegmatite: Unzoned, barren, feldspathic pegmatite in an alaskite body exposed in two shallow pits. Primarily a feldspar deposit.

Old workings: Two shallow pits.

Method of exploring: Applicant proposed the following:

40 hours of bulldozing @ $10.00/hr.	$400.00
80 feet of shaft @ $50.00/ft.	4,000.00
100 feet of drift @ $35.00/ft.	3,500.00
Total requested	$7,900.00

Recommendation: The Field Team recommends denial because very little mica exists and the prospect for the discovery of strategic mica is remote because of the unfavorable environment. The abundance of potash feldspar probably obviates the possibility of making a discovery of a sizable deposit of strategic mica. The Nonmetallic Minerals Division and the commodity members of the Geological Survey and the Bureau of Mines concur.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

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

RECEIVED NOV 15 1956 D.M.E.A.

A

November 14, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4450 (mica)

Applicant: J. R. Beam, John and Sam Phillips (partnership)

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

Date of Field Team Report: 10/30/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 11/6/56

Field Team Recommendation: Recommend denial because it is primarily a feldspar deposit.

Comments:

1. No strategic mica was observed in workings or on dump.

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

Recommendation:

I concur with the recommendation of the field team.

Donald R Irving
Donald R. Irving

IN REPLY REFER TO:

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

RECEIVED NOV 6 1956 D.M.E.A.

November 5, 1956

Re: DMEA 4450
Beam & Phillips
Barbara Prospect
Mitchell County, N.C.
$7,900.00 - 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 applicants requested assistance in exploring an unzoned 10-foot pegmatite in alaskite.

Little work has been done and little is known concerning the pegmatite, but the examiners consider the composition and environment of the pegmatite unpromising and recommend that the application be denied. I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

October 30, 1956

RECEIVED NOV 1 1956 D.M.E.A.

Memorandum

To: Operating Committee, DMEA - Washington

From DMEA Field Team, Region V - Knoxville, Tennessee

Subject: Field Examination Report - DMEA-4450 - Mica
Beam & Phillips, Applicants, Spruce Pine, N.C.
Barbara Prospect, Mitchell County, N.C.

Transmitted are four copies of the subject examination report.

The Field Team concurs with the Examiners, that this prospect should be denied because of the poor mineralogic environment for the occurrence of a workable deposit of strategic muscovite.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
11-5-56
(date)

RECEIVED
NOV 1 1956
D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION, REGION V

On

DMEA-4450, BARBARA PROSPECT - Mica
Mitchell County, North Carolina

By

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

and

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

October 3, 1956

Reviewed by
DMEA OPERATING COMMITTEE
11-5-56
(date)

FIELD EXAMINATION REPORT

On

DMEA-4450 (mica) Barbara Prospect

Applicants: J. R. Beam, John and Sam Phillips (partnership)
Spruce Pine, North Carolina

Summary

A feldspathic pegmatite is exposed in an alaskite body in two shallow pits. Some green muscovite was observed in the dump material. Denial is recommended because it is primarily a feldspar deposit.

Introduction

Location

The Barbara prospect is situated on the southern side of, and upslope 100 feet from the North Toe River near an abandoned power house. It is 1.2 airline miles N. 70° W. from Spruce Pine, North Carolina (WC 1/9 - Spruce Pine, North Carolina, Quad., TVA, 1/24,000).

Examination

The prospect was examined on October 3, 1956 in the company of Mr. John Phillips and Mr. Landon Willis who formerly worked it. One hour was spent in the examination.

Geology

An unzoned barren pegmatite 10-ft + thick is exposed in two shallow, narrow pits in an alaskite body for a strike length of 85 feet. The alignment of the pits trends N. 75° W., which may or may not be the true strike of the body since no contacts are visible.

The composition of the pegmatite is essentially potash feldspar (orthoclase) of good grade, with some 2-inch wide pieces of clear, green muscovite. Only a few pieces of muscovite were observed in the muck.

The apparent abundance of potash feldspar probably obviates the possibility of discovering a sizable deposit of strategic muscovite.

Recommendations

It is recommended that the application be denied because of the poor mineralogic environment for the occurrence of a workable deposit of strategic muscovite.

Examined: October 3, 1956

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

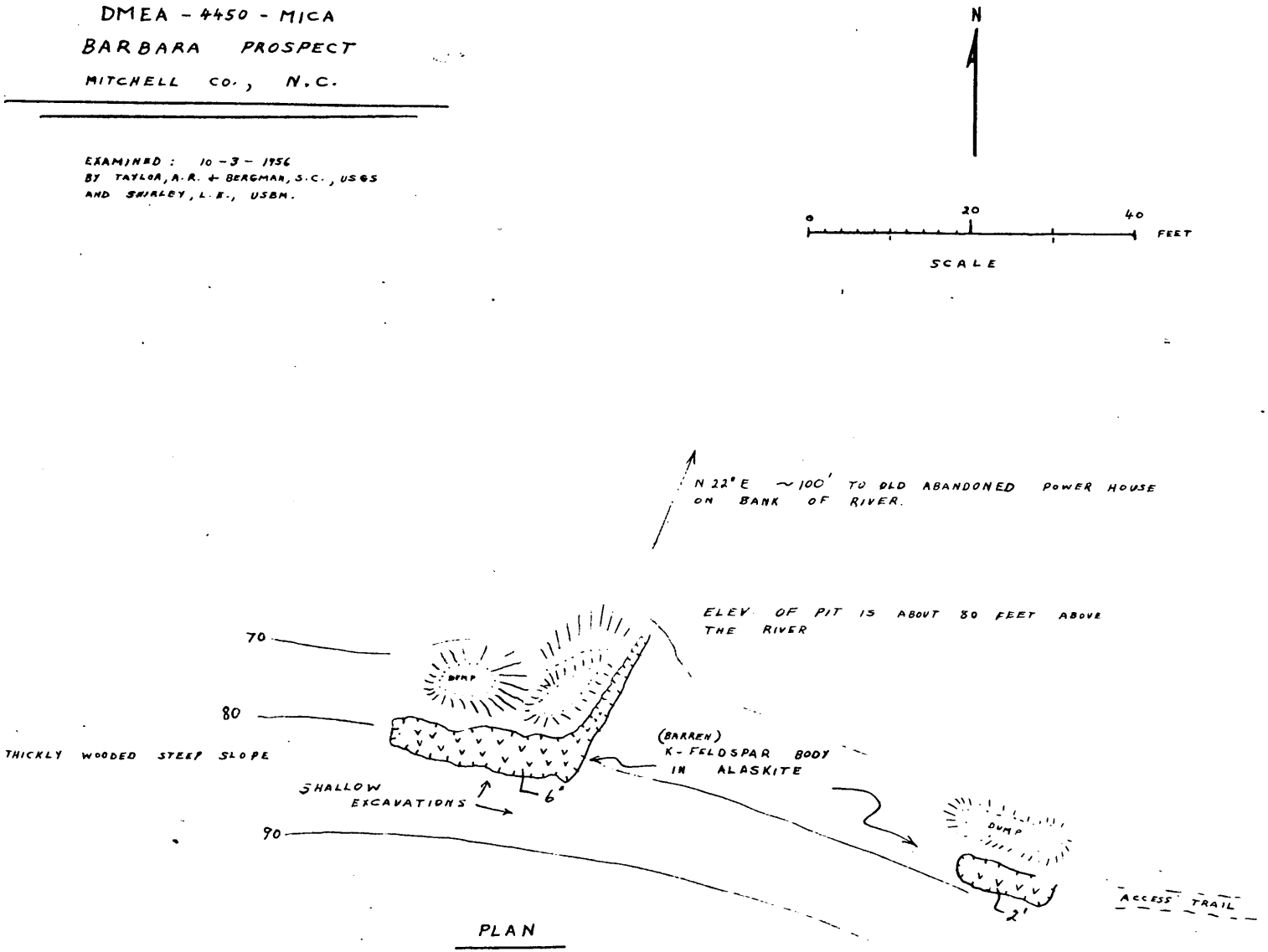
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

DMEA - 4450 - MICA

BARBARA PROSPECT

MITCHELL CO., N.C.

EXAMINED: 10-3-1956
BY TAYLOR, A.R. & BERGMAN, S.C., USGS
AND SHIRLEY, L.E., USBM.



PLAN

10-23-56 ART

Docket Copy
Surname:
Anderson
Hoyt
Selfridge
Hefferman

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

SEP 24 1956

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

Subject: Docket No. DMEA-4450-Mica
J. R. Beam, John and
Sam Phillips
Barbara 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 September 6 and 20, 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 (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures 4

WCAnderson:gad 9/21/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

A.C.S.

Docket Copy
Surname:
Anderson
Kilsgaard
Lamb
Eldridge

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

SEP 24 1956

Messrs. J. R. Beam, John Phillips
and Sam Phillips
C/O Mr. Sam Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4450-Mica
J. R. Beam, John and
Sam Phillips
Barbara Prospect
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. 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,

C. O. Mittendorf
(by ex)
Administrator

WCAnderson:gad 9/21/56
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.B.

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-4450 (mica)

Applicant: J. R. Beam, J. & S. Phillips

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 9/5/56

Comments:

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

2. From the limited information presented, it is difficult to determine if an exploration program is justified or if the proposed plan would be the best method of exploring this property.

3. 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:

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

Sept. 6, 1956

RECEIVED
SEP 7 1956

Re: DMEA 4450
J. R. Beam, et al
Barbara prospect
Mitchell Co., N. C.
$7,900 - Mica

Memorandum

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

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

Subject: Review of application

The applicants request assistance in exploring a pegmatite by bulldozing, shaft, and drifting. Little or no work has been done, and no production obtained, but the applicants consider it a good prospect. Perhaps some bulldozing is warranted.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

September 5, 1956

Mr. Sam Phillips
Spruce Pine,
North Carolina

Subject: DMEA-4450
Re: Exploration Assistance
Barbara Prospect

Dear Mr. Phillips

The receipt of your application dated August 16, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4450 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 Bradley~~ 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
SEP - 4 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. 4450
Metal or Mineral Mica
Date Received 9-4-56
Estimated Cost $7900
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: J.R. Beam, John & Sam Phillips (Partnership)
Spruce Pine, N.C.
c/o Sam Phillips
Spruce Pine, N.C.

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

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

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

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

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

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

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

(*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 none

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

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

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

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

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

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

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

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

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

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. Now on file with D.M.E.A.

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 Aug. 16, 1956

J.R. Beam, John & Sam Phillips (Partners)
(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

RECEIVED
SEP - 4 1956

MF-103 (Continuation Sheet)

4. (a) Very little work has ever been done at this mine.

(b) There has been no production record.

(c) Outcropping of vein materials indicates that Non ruby mica may be found by exploration work.

(d) Project is accessible to roads and shipping.

(e) Manpower, equipment and supplies available. Power is about 100 yards away.

5. (b) We propose to bulldoze cut to expose vein and locate shaft; sink a 5' x 7' shaft 80' deep, then drift with vein a distance of 100'.

6. Estimate of costs:

40 hours bulldozing @ $10.00 per. hour . . .	$ 400.00
80' Shaft @ $50.00 per foot	4000.00
100' Drift @ $35.00 per foot.	3500.00
Total estimated cost of project:	$ 7900.00

MINING LEASE

RECEIVED
SEP - 4 1956

State of North Carolina Mitchell County:

This indenture made this 16th day of August, 1956, ~~1953~~

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:

Beginning on an iron stake located in the center of the Barbara Prospect, which is located 278feet South 10 degrees West to a large Poplar tree, this being the property line between John Phillips, Sam Phillips, J.R. Beam and Herbert Teague, as shown on deed recorded in Register of Deeds Office in Bakersville, N.C. Book #119, Page #298, 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 approximately two miles west of Spruce Pine, North Carolina.

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.

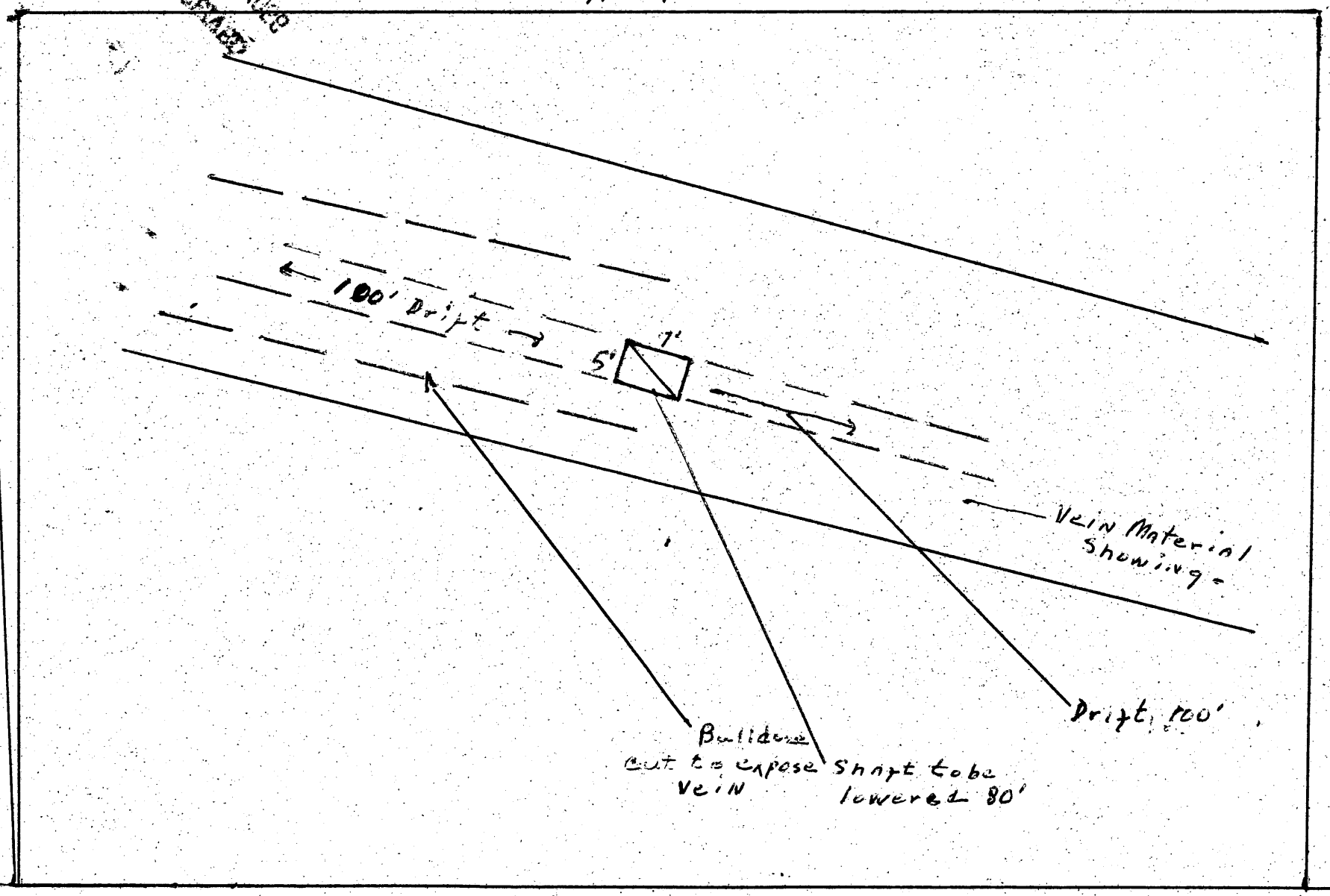
WITNESS our hands and seals the day and year first above written.

Witness: (Seal)

(Seal)

(Seal)

Barbara Prospect
Mitchell County
N. C.



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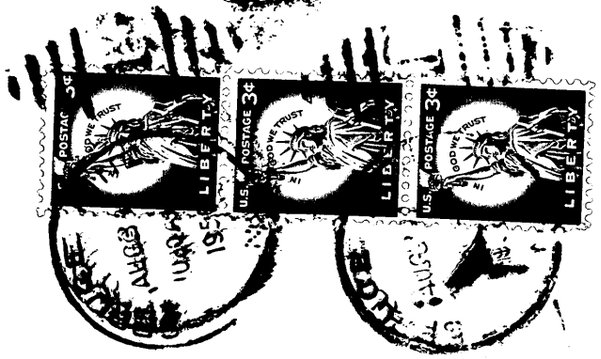
SEP - 4 1956

Sam L. Phillips
Spruce Pine, N.C.



Mr. Laurence L. Hauk, Chief
Nonmetallic Minerals Division
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