IMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E 1047 IMEA NO. 4512

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
(Terminated - Certified
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
Interim Audit(s)
✓ Report of Review
✓ Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓ Contract Amendments (latest on top)
✓ Contract with all exhibits and annexes
✓ Owner's Consent to Lien
Subordination Agreement
✓ Leases and assignments of leases
✓ Application and attachments
(3) ✓ Envelope for maps

Right Side

✓ Project summary
✓ Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report (Tab)
✓ Operator's Final Report
(2R) Interim Reports
(2R) Operator's monthly reports and all attachments (latest on top)
✓ On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

Government's Copy

Long
Mangan
Anderson
Hunt
Chambers
Selfridge

TERMINATION AGREEMENT

It is agreed this 27th day of May, 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Yates Bennett and Sam L. Phillips, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E1047 (Docket No. 4512), dated December 31, 1956, hereinafter called the "Contract," that:

1. Effective May 3, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved.

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

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

THE UNITED STATES OF AMERICA

By C. Mittendorf
Administrator, Defense Minerals
Exploration Administration

Yates Bennett
Yates Bennett

Sam L. Phillips
Sam L. Phillips

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D M E A
RECEIVED JUN 7 1957
DATE | INITIALS | CODE

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Report of:

Yates Bennett and Sam L. Phillips

Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E1047, DMEA No. 4512, including Amendment No. 1, for the month of April 1957, covering a project for the exploration of mica on property, known as the Palen Ridge Prospect located in Yancey County, North Carolina.

My review included an examination of the Monthly Report (Form MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$1,952.00
Exceptions:		
Prior to this review	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$1,952.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand four hundred sixty-four and no/100 Dollars

$1,464.00

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. B. Talbert

E. B. Talbert, Auditor

May 14, 1957

EXPLORATION PROJECT CONTRACT
YATES BENNETT and SAM L. PHILLIPS
DOCKET NO. DMEA-4512

AMENDMENT NO. I

It is agreed this 3rd day of April 1957, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Yates Bennett and Sam L. Phillips, a partnership hereinafter called "The Operator," that Exploration Project Contract Idm-E1047 (Docket No. DMEA-4512), dated December 31, 1956, be amended as follows:

In ARTICLE I, the third sentence is amended to read: "The Operator shall begin work on or before April 3, 1957- - - - -" instead of February 10 as written in the original contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the amount of any item designated as "maximum."

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA
By Robert A. Lawrence
Executive Officer
DMEA Field Team
Region V

Yates Bennett
Yates Bennett, partner

Sam L. Phillips
Sam L. Phillips, partner

EXTRA COPY
D M E A
RECEIVED APR 11 1957
DATE | INITIALS | CODE

Docket copy

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MF-200A
(Rev. April 1956)

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

DMEA No.	*Commodity*	*Contract No.*	*County*	*State*
4512	Mica	Idm-E 1047	Yancey	North Carolina

It is agreed DEC 31 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Yates Bennett and Sam L. Phillips

whose mailing address is Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority and project.*—(a) This contract is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed therein. The project work is a search for indicated or undeveloped deposits of the commodity designated above. The Operator shall begin the work on or before FEB 18 1957, and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 8 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the project work is $5,692.00. The Government will contribute 75 percent of the fixed unit cost of the work performed, not exceeding $4,269.00, in accordance with the provisions of Articles 4 and 5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 10. *Changes and added provisions.*—

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Executed in sextuplicate the day and year first above written.

By Yates Bennett
Yates Bennett, Partner

By Sam L. Phillips
Sam L. Phillips, Partner

THE UNITED STATES OF AMERICA

By C. Mittelsdorf
Administrator, Defense Minerals
Exploration Administration

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

.....

[CORPORATE SEAL]

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

12/26/56
"Appd. Sol. Off."
Anderson
Fisher
Selfridge

Docket copy

EXPLORATION PROJECT CONTRACT
YATES BENNETT AND SAM L. PHILLIPS
DOCKET NO. DMEA-4512

ANNEX I

The land referred to in Article 2 of the Contract is known as the Palen Ridge Prospect. It is located on Winter Star Ridge (at elevation 4700 feet) S. 16° W. from the Cattail Mine and 2.85 airline miles S. 47° E. from Pensacola, North Carolina. It is a parcel of ground, consisting of approximately 9 acres, carved out of the 8000 acre Threadgill property, and leased to the applicants by Perry Threadgill and Ethel H. Threadgill for a period of five years by an instrument dated October 1, 1956. The land is more particularly described as follows:

"Starting on the top of Deer Knob on the main height of the Black Mountain Range at what is designated as Corner Number ten of the U.S. Forest Boundary as mentioned in Deed to Ethel H. Threadgill and recorded in Book 75 at page 244 of the public records of Yancey County and thence in a westerly direction with the main height of the Deer Knob ridge and at a lower level called the Palen Ridge and Winter Star ridge a distance of approximately 5300 feet to the Main Opening of the Palen Ridge Mica Mine; thence north 300 feet; thence west 300 feet; thence south 600 feet; thence east 600 feet; thence north 600 feet; thence west three hundred feet. Making an area 600 feet square around the said mine."

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
OCT 22 1956

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows: 2/ [illegible] which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

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

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

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

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

_____

_____

_____

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

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

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

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

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

Dated this 1st day of December, 1955.

	[Seal]	Pensacola N.C.	[Address]
Perry Threadgill	[Seal]	Pensacola N.C.	[Address]
Ethel H. Threadgill	[Seal]	Pensacola N.C.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
YATES BENNETT AND SAM L. PHILLIPS
DOCKET NO. DMEA-4512

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be performed in the area indicated on the attached map entitled "DMEA-4512 Mica, Falen Ridge Prospect, Yancey County, N. C.", as follows:

1. Construct access road - 1000 feet long by 10 feet wide by approximately 2 feet in depth and amounting to approximately 740 cubic yards.

2. Construct:

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

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

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

3. Sink not more than 60 feet of an inclined, two-compartment shaft.

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

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

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

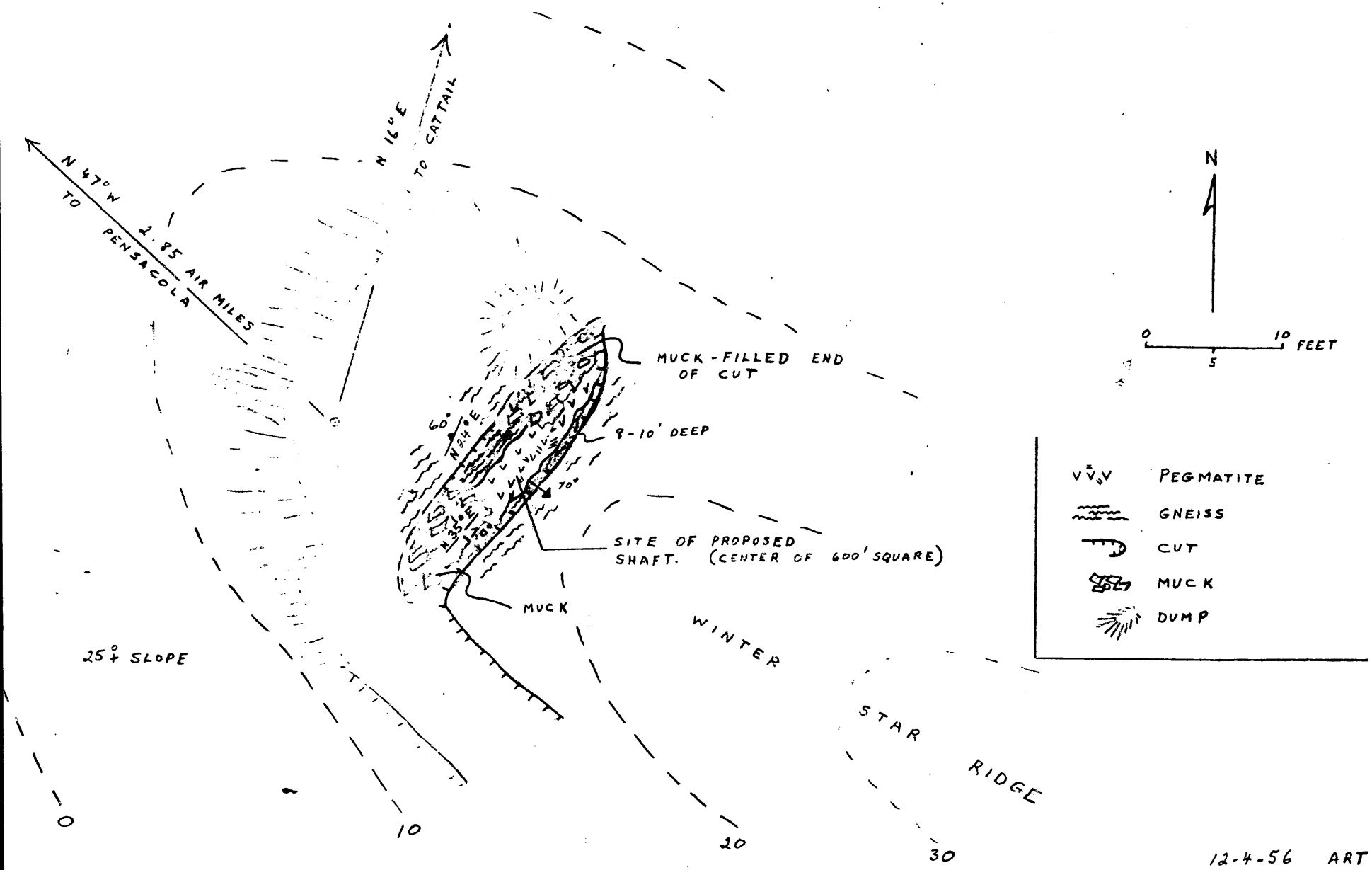
Fixed Unit Costs

1.	Construction of access road - 740 cubic yards @ $0.40/cu. yd.	$296.00
2.	Construction - Toolhouse 1/	76.00
	Powder magazine 1/	25.00
	Exploder magazine 1/	15.00
3.	Sinking 60 feet of inclined shaft @ $44.00/ft.	$2,640.00
4.	Driving 80 feet of drifts and/or crosscuts @ $33.00/ft.	2,640.00
	Estimated total cost of project	$5,692.00
	Government participation @ 75%	4,269.00

1/ The completed work constitutes the unit.

DMEA - 4512 MICA
PALEN RIDGE PROSPECT
YANCEY CO., N.C.

EXAMINED: NOV. 28, 1956



12-4-56 ART

Received
Jan 11 1957
L.M.E.A.

MINING LEASE

RECEIVED
OCT 22 1956

State of North Carolina Yancey County:

This indenture made this 1st day of October 1956, 1953,

between Percy Threadgill and Ethel H.Threadgill

of Yancey County and State of North Carolina as party of the first part, and known as lessor, and Yates Bennett, and Sam Phillips

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

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, 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:

Starting on the top of Deer Knob on the main heighth of the Black Mountain Range at what is designated as Corner Number ten of the U.S.Forest Boundary as mentioned in Deed to Ethel H. Threadgill and recorded in Book 75 at page 244 of the public records of Yancey County and thence in a westerly direction with the main height of the Deer Knob ridge and at a lower level called the Palen Ridge and Winter Star Ridge a distance of approximately 5300 feet to the main opening of the Palen Ridge Mica Mine;thence north three hundred feet;thence west 300 feet;thence South 600 feet;thence east six hundred feet;thence north six hundred feet;thence west three hundred feet. Making an area 600 feet square around the said mine.

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.

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 $100,000.00, 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 lessors. 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) Kenneth R. McKinney, Notary Public

Kenneth R. McKinney
Notary Public
My Comm Expires 8/17/57

Percy Threadgill (Seal)

Ethel H. Threadgill (Seal)

(Seal)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 22 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. 4512
Metal or Mineral Mica
Date Received 10-22-56
Estimated Cost $9900
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: Yates Bennett, and Sam L. Phillips
Spruce Pine, N.C.

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

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

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

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

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

(*b*) State any mine name by which the property is known. Palen Ridge 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 Not land owners.

(*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 DMEA

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)?

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

[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 10-18-56, 195...

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

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MF-103 (Continuation Sheet)

4. (a) Some work done, applicant has no interest in previous operations.

(b) No record of past productions.

(c) We believe with exploration work some good quality ruby mica will be recovered.

(d) We propose to bulldoze road access.

(e) Manpower, equipment and supplies are available. Power is approximately one-half mile away.

5. (b) We propose to bulldoze road access, bulldoze away overburden, and cut a trench 150' long, 20' wide, and 12' deep, then sink a 5' X 7' shaft 80' deep, then drift with vein a distance of 125'.

6. (Estimate of costs:

50 hours bulldozing @ $10.00 per Hr. - - - - - -	$ 500.00
80' Shaft @ $55.00 Per. Ft. - - - - - - - - - - -	4400.00
125' Drift @ $40.00 Per. Ft. - - - - - - - - - -	5000.00
Total estimated cost of project:	$9900.00

Palen Ridge Prospect

Yancey County

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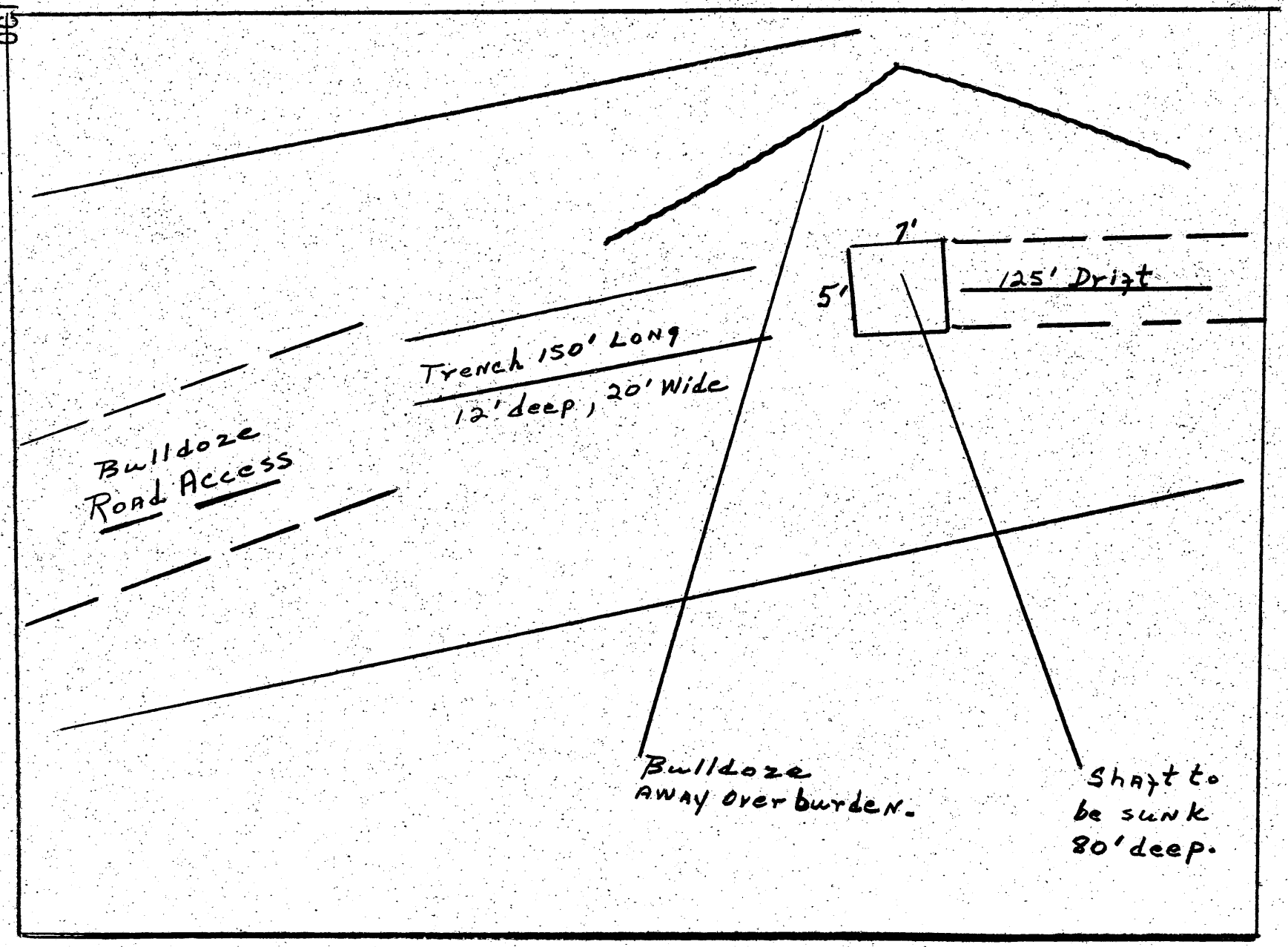
OCT 22 1956



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2. [illegible] previous block.
3. Write clearly.

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[illegible]	RUN / STOP	Betty Fleckinger 5222 - Interior	RUN / STOP
Mr. Jones Topog.	RUN / STOP	Mr. Ellis 4443 Int.	RUN / STOP
[illegible] BUDGET & FINANCE BRANCH	RUN / STOP		RUN / STOP
[illegible]	RUN / STOP		RUN / STOP
Mr. Singleton A-322	RUN / STOP		RUN / STOP
Mr. Dennis 4235	RUN / STOP		RUN / STOP
[illegible] White [illegible]	RUN / STOP		RUN / STOP
Willie Stetlfield Room 4223	RUN / STOP		RUN / STOP
[illegible] 5209 [illegible]	RUN / STOP		RUN / STOP

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Use other side first

DMEA Form 7
(12-56)

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Date	Surname	Code
11/19	Anderson	600
11/19	Houk	600
11-20	Chambers	800
11/25	Selbridge	120
"	Johnson	110
"	Mittendorf	100
11/25	C	220
		600

600

NOV 25 1957

Messrs. Yates Bennett and
Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4512-Nice
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-E1047

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 11/19/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. and Mrs. Percy Threadgill

DMEA Form 7
(12-56)

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Date	Surname	Code
11/19	Anderson	600
11/19	Houk	600
11-20	Chambers	800
11/25	Selfridge	120
"	Johnson	110
"	Rothenberg	100
		220

600

NOV 25 1957

Mr. and Mrs. Percy Threadgill

Pensacola, North Carolina

Re: Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-E1047

Dear Mr. and Mrs. Threadgill:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on October 1, 1956.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

Enclosure

WCAnderson:rsi 11/19/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

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Date	Surname	Code
11/19	Anderson	600
11/19	Smith	600
		110
		100
		220

600

November 18, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4512-Mica
Contract No. Idm-E1047
Palen Ridge Prospect
Yancey County, North Carolina

Application: Form MF-103(April 1952) received October 22, 1956.

Work Proposed:

50 hours bulldozing @ $10.00/hr.	$500.00
80 feet of shaft @ $55.00/ft.	4,400.00
125 feet of drift @ $40.00/ft.	5,000.00
Amount requested	$9,900.00

Operators:
Yates Bennett and Sam L. Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on the Perry Threadgill Property consisting of approximately 8 acres, dated October 1, 1956. Consent to Lien and Subordination Agreement dated October 1, 1956.

2. Contract: Form MF-200A(April 1956), dated December 31, 1956.

Work Authorized:

Construction - access road	$296.00
Construction - toolhouse, powder & exploder magazine	116.00
60 feet of shaft @ $44.00/ft.	2,640.00
80 feet of drifts and/or crosscuts @ $33.00/ft.	2,640.00
Estimated total cost of project	$5,692.00
Government participation @ 75%	$4,269.00

Amendments:
No. 1, 4/3/57, commencement of work was changed from February 10, 1957 to April 3, 1957.

Work Completed:

Access road	$296.00
Construction - toolhouse, powder & exploder magazine	116.00
35 feet of shaft @ $44.00/ft.	1,540.00
Total accepted cost	$1,952.00
Government participation @ 75%	$1,464.00

Work began on March 25, 1957 and ended on May 2, 1957. It was terminated by mutual agreement on May 27, 1957. Field Team Final Report received June 26, 1957. Operator's Final Report received May 6, 1957. No equipment purchased under contract.

8623

3. Audit: Report of Review dated May 14, 1957

Accepted cost	$1,952.00
Government contribution	$1,464.00

4. Certification of Discovery or Development - none issued.
Value of mica production during operation - none.
Royalty received ---------- - none.

5. Comments:

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

Operation: Good.

Engineering: Reporting by Operator was acceptable.

Geologic Premise: The premise that a 2½ foot pegmatite exposed at the surface and containing mica crystals weighing 12 pounds would continue in depth was wrong, as the pegmatite pinched out at shallow depth.

Geologic Criteria upon which work was based:

1. Pegmatite: Discordant, 2½ feet thick, composed of oligoclase, quartz, muscovite, and minor sericite.
2. Mica: Ruby, 3 - 4 inches wide, mostly clear and flat, few are cracked and ruled. Largest book - 10 inches wide by 6 inches thick, weighing 12 pounds.
3. Past Production: none.

Geologic Criteria developed during project:

1. Pegmatite: Thin, discordant, unzoned, pinching our at shallow depth, 17 feet, 2½ feet thick at surface. Consists of plagioclase, quartz, muscovite, and sericite. Enclosing rock is biotite-muscovite gneiss.
2. Mica: Ruby, clear, flat, minor ruling.

Future Possibilities: None, since no reserves of strategic mica were indicated by the work.

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

Walter C. Anderson

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 11/19/57
Copy to: Admr. R. File
Mr. Houk

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

July 17, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA - 4512 (mica)

Applicant: Yates Bennett and S. L. Phillips

Name and Location of Property: Palen Ridge Prospect
Yancey County, N. C.

Contract Number: Idm-E 1047

Date of Field Team Report: June 24, 1957

Date Rec'd. by Br. of Ceramic and Fertilizer Materials: July 1, 1957

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Field Team Recommendation: Recommend that no certification of discovery be issued.

Comments:

1. A contract was awarded December 31, 1956 for bulldozing a road, shaft sinking and drifting on a thin discordant pegmatite exposed in a cut.

2. Only 35 feet of shafting was completed as the pegmatite pinched out.

3. No strategic quality mica was encountered in the pegmatite dike.

4. Expenditures -

Total amount of contract	$5,692.00
Total cost	1,952.00
Gov't. share of the cost	1,464.00
Value of production	None
Royalty	None

Recommendation: I concur with the field team's recommendation that no certification of discovery be issued.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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DATE	INITIALS	CODE
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7/5	Houk	600

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

July 2, 1957
Re: DMEA 4512, Idm-E1047
Yates Bennett and S. L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Mica

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract, awarded December 31, 1956, approved the expenditure of $5,692.00 on bulldozing of a road, shaft sinking and drifting.

The road was built and the shaft was sunk 35 feet. The thin, discordant pegmatite which was 25 feet in a cut pinched out at 17 feet. Other narrow lensy pegmatites were cut in the lower part of the shaft, but the results were so unfavorable the contract was terminated by mutual agreement, May 27, 1957, only $1,952.00 having been spent.

No mica was 'discovered' and the examiners and the Field Team recommend that no certification of discovery be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

June 24, 1957

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DATE	INITIALS	CODE
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		220
7/1	Com	100

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report - DMEA-4512, Idm-E1047-mica
Yates Bennett & S. L. Phillips, Spruce Pine, N.C.

Attached are four copies of the subject report.

The Field Team concurs with the Examiners that no certification should be issued on this property.

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
6-28-57
(date)

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DATE	INITIALS	CODE
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UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-4512, Idm-E1047(mica) PALEN RIDGE PROSPECT
Yancey County, North Carolina

By

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

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

June 24, 1957

Reviewed by
DMEA OPERATING COMMITTEE
6-28-57
(date)

Final Field Rept.

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FIELD TEAM FINAL REPORT

On

DMEA-4512, Idm-E1047-mica PALEN RIDGE PROSPECT
Yancey County, North Carolina

Operator: Yates Bennett and S. L. Phillips, Spruce Pine, N.C.

SUMMARY

Exploration conducted under this contract revealed a thin pegmatite which pinches out at a shallow depth. As no reserves of strategic mica were indicated by the work done on this project, it is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

INTRODUCTION

The Palen Ridge Prospect is on Winter Star Ridge at an elevation of 4700 feet and is 2.85 airline miles S 47°E of Pensacola, Yancey County, North Carolina. (Quad. TVA ed, 1947, 1/24,000).

Previous exploration

The only work done at this prospect prior to the date of the contract was the excavation of a small cut about 20 ft. long by 5 to 6 ft. deep by 8 to 10 ft. deep. The long axis of this cut trends N 35°E.

Contract Work

A unit cost contract was authorized December 31, 1956. Actual work began March 25, 1957 and was ended May 2, 1957. Work completed under the contract consisted of constructing an access road, toolhouse, powder magazine and exploder magazine and the sinking of a 35-foot vertical shaft. The access road is about 1000 feet and required removal of material in excess of 760 cubic

yards. The shaft was made 5 feet by 7 feet in cross-section. Timbering was not necessary. The remaining work authorized by the contract was not completed because the bottom of the body was encountered. The contract was terminated by mutual agreement, effective May 27, 1957.

GEOLOGY

A thin, disconcordant pegmatite which pinches out at shallow depths is exposed in the cut and in the shaft. It strikes N35°E and dips 70 to 75°SE. In the bottom of the cut, the body is 2.5 ft thick but at a depth of 17 ft in the shaft it pinches out. Beneath this pinch-out, several disconnected lenses and stringers of pegmatite in an en echelon arrangement occur intermittently in the lower half of the shaft.

The pegmatite material consists of plagioclase, quartz, muscovite and sericite, in order of abundance. No zoning is apparent. The muscovite is ruby-colored, clear and flat. Minor ruling is present.

The enclosing country rock is biotite-muscovite gneiss. Foliation of this rock strikes N 24°E and dips about 60° to the northwest.

A fault is present in the lower half of the shaft on the northeast side. It strikes N 52°W and dips 70 to 88° SW. Direction and amount of displacement is not determinable.

PRODUCTION AND RESERVES

There has been no production of strategic mica from this Prospect. No ~~xxx~~ reserves were indicated by the work completed under the contract nor can any be inferred.

EXPENDITURES

(a)	Total amount of contract	$5,692.00
(b)	Total cost of project	1,952.00
(c)	Government's share of cost	1,464.00
(d)	Government's share unexpended	2,805.00
(e)	Value of production during opr.	none
(f)	Royalty received to date	none

Competency of Operator:

The work done on this project was conducted in an efficient and satisfactory manner.

RECOMMENDATIONS

The pegmatite on this property is very thin and pinches out at a shallow depth; thus, it is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

June 24, 1957

S. C. Bergman, Geologist
Geological Survey

DHA/zm

L. E. Shirley, Mining Engineer
Bureau of Mines

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

June 24, 1957

EXTRA COPY
DMEA
RECEIVED JUN 26 1957

DATE	INITIALS	CODE
		130 JB
		220

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report - DMEA-4512, Idm-E1047-mica
Yates Bennett & S. L. Phillips, Spruce Pine, N.C.

Attached are four copies of the subject report.

The Field Team concurs with the Examiners that no certification should be issued on this property.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA FIELD TEAM
REGION V

V. J. LYNCH
MEMBER, BUREAU OF MINES

ZM.
cc
Lynch
Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
6-28-57
(date)

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		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMEA-4512, Idm-E1047(mica) PALEN RIDGE PROSPECT
Yancey County, North Carolina

By

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

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

June 24, 1957

Reviewed by
DMEA OPERATING COMMITTEE
6-28-57
(date)

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DATE | CODE
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FIELD TEAM FINAL REPORT

On

DMEA-4512, Idm-E1047-mica PALEN RIDGE PROSPECT
Yancey County, North Carolina

Operator: Yates Bennett and S. L. Phillips, Spruce Pine, N.C.

SUMMARY

Exploration conducted under this contract revealed a thin pegmatite which pinches out at a shallow depth. As no reserves of strategic mica were indicated by the work done on this project, it is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

INTRODUCTION

The Palen Ridge Prospect is on Winter Star Ridge at an elevation of 4700 feet and is 2.85 airline miles S 47°E of Pensacola, Yancey County, North Carolina. (Quad. TVA ed, 1947, 1/24,000).

Previous exploration

The only work done at this prospect prior to the date of the contract was the excavation of a small cut about 20 ft. long by 5 to 6 ft. deep by 8 to 10 ft. deep. The long axis of this cut trends N 35°E.

Contract Work

A unit cost contract was authorized December 31, 1956. Actual work began March 25, 1957 and was ended May 2, 1957. Work completed under the contract consisted of constructing an access road, toolhouse, powder magazine and exploder magazine and the sinking of a 35-foot vertical shaft. The access road is about 1000 feet and required removal of material in excess of 760 cubic

yards. The shaft was made 5 feet by 7 feet in cross-section. Timbering was not necessary. The remaining work authorized by the contract was not completed because the bottom of the body was encountered. The contract was terminated by mutual agreement, effective May 27, 1957.

GEOLOGY

A thin, disconcordant pegmatite which pinches out at shallow depths is exposed in the cut and in the shaft. It strikes N35°E and dips 70 to 75°SE. In the bottom of the cut, the body is 2.5 ft thick but at a depth of 17 ft in the shaft it pinches out. Beneath this pinch-out, several disconnected lenses and stringers of pegmatite in an en echelon arrangement occur intermittently in the lower half of the shaft.

The pegmatite material consists of plagioclase, quartz, muscovite and sericite, in order of abundance. No zoning is apparent. The muscovite is ruby-colored, clear and flat. Minor ruling is present.

The enclosing country rock is biotite-muscovite gneiss. Foliation of this rock strikes N 24°E and dips about 60° to the northwest.

A fault is present in the lower half of the shaft on the northeast side. It strikes N 52°W and dips 70 to 88° SW. Direction and amount of displacement is not determinable.

PRODUCTION AND RESERVES

There has been no production of strategic mica from this Prospect. No ~~xxx~~ reserves were indicated by the work completed under the contract nor can any be inferred.

EXPENDITURES

(a)	Total amount of contract	$5,692.00
(b)	Total cost of project	1,952.00
(c)	Government's share of cost	1,464.00
(d)	Government's share unexpended	2,805.00
(e)	Value of production during opr.	none
(f)	Royalty received to date	none

Competency of Operator:

The work done on this project was conducted in an efficient and satisfactory manner.

RECOMMENDATIONS

The pegmatite on this property is very thin and pinches out at a shallow depth; thus, it is recommended that no certification of discovery be issued. Additional exploratory work is not warranted.

June 24, 1957

S. C. Bergman, Geologist
Geological Survey

BHA/zm

L. E. Shirley, Mining Engineer
Bureau of Mines

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

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DATE	INITIALS	CODE
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June 5, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Termination Agreement - Idm-E1047, DMEA-4512-Mica
Yates Bennett & Sam Phillips, Spruce Pine, N.C.

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

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

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

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

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/24	Anderson	600
5/27	Houk	600
5-27	Chamberlin	800
5/27	GCS	130
		~~110~~
"	Kittendorf	100
5/28	JWD	220
		600

600

MAY 28 1957

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

Re: Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-E1047

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of May 8, 1957, recommending termination of the subject contract by mutual agreement.

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

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

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

Approved:

A. D. McMahon
Member, Bureau of Mines (SWB)

Thor H. Kiilsgaard
Member, Geological Survey (SWB)

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (SWB)

Enclosures 8

WCAnderson:rsi 5/24/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Houk
Mr. Dietrich, 3061

8623

OFFICIAL FILE COPY
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RECEIVED MAY 10 1957

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INTERIM REPORT

DMEA-4512, Idm-E1047 (Mica) PALEN RIDGE PROSPECT

Operator: Yates Bennett, Burnsville, N. C., and S. L. Phillips, Spruce Pine, N. C.

Location: 2.85 airline miles S 47°E from Pensacola, N. C.

Shaft sinking has been in progress on this contract and total depth reached is 35 feet. The last 18 feet of work has followed only pods and lenses of pegmatite, up to 12 inches thick. The Field Examiners recommend that this contract be terminated by mutual consent of both parties due to absence of a definite pegmatite body to follow.

Horizontal percussion test holes 6 feet long were drilled in both hanging and footwalls at the 23 ft. level, and at 29 feet horizontal test holes were drilled in both ends of the shaft, and in the hanging and footwalls with negative results. A slickensided fault trace, trending N52°W, 70°-76°SW, was observed on the southwest end of the shaft and could be responsible for the absence of pegmatite to the northeast, particularly if the northeast ground was the upthrow side of the fault. Pegmatite lenses existed from the 12 ft. level in the shaft to bottom and scattered. Narrow pods of pegmatite were observed along the sides and in the shaft bottom. No additional work is apparently justified under the contract and the Examiners recommend termination.

The work was conducted satisfactorily and in accordance with terms of the contract. The operator cooperated fully with the Examiners

in doing necessary test hole work at his own expense.

L. E. Shirley

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

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

May 3, 1957

May 20, 1957

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Norris, Tennessee

Subject: Monthly report and voucher

We are enclosing two copies of the following monthly report and voucher:

Idm-E1047 Yates Bennett and Sam Phillips
Docket No. DMEA-4512
1st and final payment - month of April
Starting Date: 4-1-57
Termination Date: 5-3-57
Amount $1464.00

Helen R. Miller

Attachments
/hbm
Copies to R. A. Laurence
V. J. Lynch
Norris files
Day files

EXTRA COPY
D M E A
RECEIVED MAY 23 1957
DATE | INITIALS | CODE
~~110~~
600

MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K- 72

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of April, 1957 Docket No. DMEA 4512 Contract No. Idm-E 1047
Operator's Name Yates Bennett and Sam Phillips Minerals Mica
Address Spruce Pine, N.C.
Contract Amount, $ 5,692.00 Government Participation: 75 % Amount, $ 4,269.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
740 c.y. Bulldozing @ $ 0.40	296.00		296/00			
Crosscutting						
Drifting						
35' Shaft @ $ 44.00	1540.00		1540.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.	76.00		76.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
Powder & Exploder Mags.	40.00		40.00			
(8) Contingencies (specify):						
TOTALS	1952.00		1952.00	1952.00		1952.00

RECEIVED MAY 23 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 5-3-57 *Payee Yates Bennett & Sam Phillips
Per Sam L. Phillips Title Partners

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

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

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ 1464.00
Signature Helen R. Miller
(Authorized Certifying Officer)
Date MAY 20 1957 Vou. No. 193
(See other side)

488.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-1047 in accordance with the terms of the contract.

Signature N. J. Lynch Title MINING ENGINEER U. S. BUREAU OF MINES Date MAY 7 1957

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Fauver Title EXECUTIVE OFFICER DMEA FIELD TEAM REGION V Date MAY 7 1957

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of April 1957 Docket No. DMEA 4512 Contract No. Idm-E 1047

Operator's Name Yates Bennett & Sam L. Phillips Minerals Mica

Address Spruce Pine, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1540.00	35	1540.00	35	44.00	60	44.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails	Cu. Yds.	296.00	740	296.00	740	0.40	740	0.40
TOTAL DISTRIBUTED COSTS		1836.00		1836.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.		76.00		76.00				
Powder & Exploder Mags.		40.00		40.00				
TOTAL COSTS		1952.00		1952.00				

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

Date 5-3-57 Operator Yates Bennett & Sam Phillips

Per Sam L. Phillips Title Partners

REMARKS:

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

(Instructions on reverse)

(For Government use only)

RECEIVED MAY 23 1957 D.M.E.A.

V. J. Lynch
MINING ENGINEER
U. S. BUREAU OF MINES

INSTRUCTIONS

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

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

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

GPO 872894

OPERATOR'S

Monthly Progress Report

DMEA # 4512, Idm-E 1047 (Mica)

Palen Ridge Prospect

Yancey County, North Carolina

Work Accomplished:

We bulldozed road access, moved in equipment, sat up powder and exploder magazines, and have completed 35' of shaft. Contract was terminated at this point by mutual consent on the recommendation of the Field Team.

Daily Notes:

1 - 5 : Bulldozed road access.

8 - 12 : Moved in equipment, sat up powder and exploder magazines.

15 - 19 : Began work on shaft, drilled, shot and mucked out waste daily.

22 - May 2nd.: Continued down with shaft, completing 35' to date, and vein completely pinched out.

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9
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RECEIVED MAY 28 1957

DATE	INITIALS	CODE

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

FILE COPY
DMEA
MAY 10 1957

DATE		CODE
5/10	C	220
5/13	wa	600

May 8, 1957

Memorandum

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

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

Subject: DMEA-4512, Idm-81047-Mica. Yates Bennett and Sam L. Phillips. Palen Ridge Mine, Yancey County, N.C. Request for Report of Review.

Permission to terminate this contract, effective May 3, 1957, has been requested. Therefore, the April voucher may be the final one for this project. Accordingly, one copy of the voucher is submitted herewith. Please issue a Report of Review so that we may approve this voucher for payment.

The Operator's final engineering and geologic report has been received. Our field examiners have verified the following units of work acceptably completed:

Bulldozer excavation, 740 cu. yds.
Shaft-sinking 35 feet
Construction of Toolhouse
Construction of Powder and Exploder Magazines

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm
cc
Opr. Com.-2
Lynch
Finance Office
Files

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

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

May8, 1957

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RECEIVED MAY 10 1957

DATE	INITIALS	CODE
5/10	[illegible]	220
5/13	[illegible]	800
5/15	[illegible]	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4512, Idm-E1047-mica. Yates Bennett and Sam L. Phillips. Palen Ridge Mine, Yancey County, North Carolina

Enclosed are four copies of the Operator's final report, and four copies of the latest interim report.

We agree with the field examiners and recommend termination by mutual consent, effective May 3, 1957. Certification will not be recommended.

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

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

Operators Final Rpt.

OFFICIAL FILE COPY
D M E A
RECEIVED MAY 10 1957
DATE | INITIALS | CODE

Spruce Pine, North Carolina
May 3, 1957

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

Re: DMEA # 4512, Idm-E 1047 (Mica)
Palen Ridge Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

Work began on the above project April 1, 1957, and work was stopped by mutual consent on the recommendation of the U.S.G.S. Field Team on May 2, 1957.

The first work consisted of building a road access for approximately 1000', this road access was on the side of the mountain which was mostly rock and a great deal of blasting was done in order to complete the construction of the access road. The machinery was moved in immediately after the road was completed and a tool house, powder and exploder magazines were constructed, and the machinery sat up after which the shaft was sunk in accordance with the recommendations of the Field Team to a total of 35'.

The geological and engineering evaluation of the results of the work preformed under the contract with an estimate of the ore reserves resulting from such work are as follows: after the shaft had reached a depth of approximately 12' the vein narrowed and practically pinched out. We continued to follow stringer vein and deepen the shaft to a total depth of 35', and the vein completely played out at that depth. No appreciative amount of mica was recovered, and it is our opinion that there is not enough mica to warrant further exploration on this project, therefore the contract was terminated at this point by mutual consent of the operators, and the Government Field Team.

We wish to thank the Field Team for their assistance on the Palen Ridge Project.

Very truly yours,

Sam L. Phillips

Sam L. Phillips, Partner

P/j

RECEIVED
MAY 6 - 1957
Knoxville, Tenn.

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 9 1957

DATE		CODE
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5/9	[illegible]	800
5/13	[illegible]	600

May 7, 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-4512, Idm-E1047-Mica
Yates Bennett & Sam L. Phillips
Palen Ridge Mine
Yancey County, N.C.

Dear Mr. Phillips:

Your April voucher and final engineering and geologic report on the Palen Ridge project have been received. Your promptness in submitting the final report is appreciated. However, I wish to point out an incorrect statement in the report. It is stated that ".....therefore the contract was terminated at this point by mutual consent of the Operators, and the Government Field Team." Neither the field examiners nor the Field Team has the authority to terminate a contract, and a contract remains active until either (1) all approved work has been completed or (2) A termination agreement is fully executed.

Therefore, it should be considered that the Palen Ridge contract is still in force. If termination is approved by the Washington office, a termination agreement will be sent to you for signature.

Very truly yours,

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

RAL/sm
cc
Lynch
Opr. Com.-2

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/14	Talbert	800
5/14	C	220
		600

MAY 14 1957

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

Re: Docket No. DMEA-4512 (Mica)
Yates Bennett & Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-E1047

Dear Mr. Laurence:

As requested by your memorandum of May 8, 1957, a Report of Review covering the referenced project has been prepared. The original and two copies are enclosed for normal distribution provided that you concur with the facts stated therein.

Also enclosed is the original of the Form MF-104 for April 1957, which was submitted with your memorandum.

Sincerely yours,

(Signed) E. D. Talbert

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

Enclosure

EDTalbert/wb
May 14, 1957

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

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/3	C	220
5/6	Stulle	600
5/6	Sullivan	600

May 3, 1957

Memorandum

To: Catherine Curtin, Statistics and Control Division

From: Hazel Berry, Operating Committee

Subject: Amendment to Contract

Attached is the following docket copy of Amendment No. 1, which has been reviewed and approved by the commodity division and the Contract Administration and Audit Division. No clearance by Legal appears necessary.

Yates Bennett and Sam Phillips, DMEA-4512, Idm-E1047.

Attachment-1

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/3	Anderson	600
5/3	Houk	600

May 3, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Amendment No. 1 - Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-E1047

The Nonmetallic Minerals Division concurs in Amendment No. 1 to the subject contract as written and executed in the field. This amendment postpones the starting date of the project work from February 10, 1957, as written in the original contract to on or before April 3, 1957. (Note: The starting date as written in the contract is February 18, 1957.)

Amendment No. 1 is necessary because the Operators were unable to start at the original specified date due to bad weather.

W. C. Anderson
W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 5/3/57
Copy to: Admr. R. File
Mr. Houk

8623

INTERIM REPORT

DMEA-4512, Idm-E1047 (mica) PALEN RIDGE PROSPECT

Operator: Yates Bennett, Burnsville, North Carolina, and S. L. Phillips, Spruce Pine, North Carolina

Location: 2.85 airline miles S47°E from Pensacola, North Carolina

Shaft sinking is underway on this contract, and completed work totals 17 feet. The shaft has been collared, and temporary ladders have been placed into use. No pegmatite was observed in the shaft bottom, but both ends showed pegmatite or saturation zones of pegmatite in the biotite gneiss country rock. The body has not exceeded 2.5 feet in thickness and may thin considerably more with depth. The Operator was instructed to continue sinking vertically for two additional rounds and to place test holes in the hanging wall to intercept pegmatite on the dip side. A few blocks of excellent quality ruby mica up to 3 inches x 6 inches was recovered from the first 11 feet of shaft work. The mineralogy of the exposed pegmatite which is traceable along the strike is good.

An access road requiring removal of material in excess of 740 cubic yards has been completed. A toolhouse-bunkhouse has been built, and the crew is living at the mine site and working 10 hour shifts for 4 days each week. A powder magazine and exploder magazine has been built and is in use. Equipment at the site consists of

OFFICIAL FILE COPY
DMEA
RECEIVED APR 29 1957

DATE	INITIALS	CODE
4-29	C	220
5/1	Com	100
5/2	Hrub	60

105 c.f.m. air compressor with drilling attachments, a single-drum gasoline hoist, and hand tools. Progress on this contract, since access road construction has been completed, has been good.

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

E. L. Boudette, Geologist
U. S. Geological Survey

April 17, 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 11 1957

DATE	INITIALS	CODE
4/11	C	220
	esf	130
		600

April 9, 1957

Memorandum

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

From: Field Team, Region V, Knoxville, Tennessee

Subject: Amendment No. 1, DMEA-4512, Idm-E1047 (Mica)
Yates Bennett and Sam Phillips, Spruce Pine, N. C.

Transmitted are three signed copies of subject amendment.

The extension of the starting date was necessary due to the inability of the Operator to start work because of bad weather.

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

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

VJL/as
cc
Opr. Com. 2
Lynch
Shirley
Files

OFFICIAL FILE COPY
DMEA
RECEIVED APR 15 1957

DATE	INITIALS	CODE
4-15	C	220
"		100
4/15		

INTERIM REPORT

DMEA-4512, Idm-E1047 (mica) PALEN RIDGE PROSPECT

Operator: Yates Bennett, Burnsville, N. C., and S. L. Phillips, Spruce Pine, N. C.

Location: 2.85 airline miles S47°E from Pensacola, N. C.

The starting date on this contract is ~~March 25, 1957.~~ Access road construction has been underway for sometime, but inclement weather has slowed the work, and completion is expected within the week. Equipment at the site consists of a 105 c.f.m. air compressor, gasoline powered hoist, and necessary hand tools, brought in by bulldozer. Timber has been brought in, but no construction of toolhouse or magazines has begun. Shaft sinking will begin as soon as access road construction is complete, weather permitting.

L. E. Shirley

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

E. L. Boudette

E. L. Boudette, Geologist
U. S. Geological Survey

April 3, 1957

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 5 1957

DATE	INITIALS	CODE
4/5	C	820
4/5	[illegible]	800
4/8	H	600

April 3, 1957

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: DMEA-4512, Idm.E-1041 (Mica)
Yates Bennett & Sam L. Phillips
Palen Ridge Prospect
Yancey County, N. C.

Dear Mr. Phillips:

As requested in your telephone call, I enclose herewith six copies of Amendment No. 1, providing for a later starting date for the Palen Ridge contract. Please sign all six copies and have Mr. Bennett sign them, then keep the Operator's copy and return all the rest to me.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

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

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 4 1957

DATE		CODE
4-4	C	220
4/8		800
		600

April 2, 1957

Mr. Sam L. Phillips
Spruce Pine, N. C.

Re: DMEA-4512, IdmR1047 (Mica)
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect, Yancey Co., N. C.

Dear Mr. Phillips:

The subject contract, executed on December 31, 1956, stipulates that work shall begin on or before February 18, 1957. Since you returned the executed contract on January 9 we have had no word of operations and no monthly reports.

Technically, this places the contract in default. We realize that winter weather and other adverse conditions can delay starting or completion of a contract, and we wish to be lenient in the authorization of amendments but we need to be advised by the Operator in order to approve and prepare an amendment.

For every active contract, we should receive a monthly report every month, whether or not work is done. If no work is done, a simple statement to that effect, stating the reason why, is adequate. When it is impossible to start a project by the date specified in the contract, we should be notified at least a week before that date.

The Palen Ridge contract calls for completion on or before August 31, 1957. Please let me know when you expect to begin work on the project.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/as
cc
Opr. Com. 2
Yates Bennett
Lynch
Shirley
Files

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

CENTRAL FILE COPY
DMEA
RECEIVED JAN 11 1957

DATE	INITIALS	CODE
1/11	B	215
		600

January 9, 1957

Memorandum

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

From: Acting Executive Officer, DMEA Field Team, Region V

Subject: Contract Idm-E1047, DMEA-4512 - Mica
Yates Bennett and Sam L. Phillips, Spruce Pine, N. C.
Palen Ridge Prospect, Yancey County, North Carolina

Enclosed are the original and two copies of the subject contract.

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

V. J. Lynch

V. J. Lynch

Enclosures 3

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

DOCKET COPY
Surname:
Anderson
Houk
Fisher
Selfridge
Mittendorf

DEC 31 1956

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

Re: Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed short-form contract signed by the Administrator for the Government. It consists of the form, Annex I (1 page), Consent to Lien, Exhibit "A" (2 pages), and a map. Also enclosed are two extra copies of Annex I, Exhibit "A" and the map for Field Team use.

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

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

Copies of memoranda dated December 17, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge
(857)

Chairman, Operating Committee

Approved:

P. F. Yopes (857)
Member, Bureau of Mines

Thor H. Kiilsgaard (857)
Member, Geological Survey

Enclosures: 12

WCAnderson:ms 12/28/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

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

December 17, 1956

RECEIVED DEC 17 1956 D.M.E.A.

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4512 (mica)

Applicant: Yates Bennett & Sam L. Phillips

Name and Location of Property: Palen Ridge Prospect, Yancey County, North Carolina

Date of Field Team Report: 12/10/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 12/13/56

Field Team Recommendation: Recommend a unit-cost contract for exploration.

Comments:

1. This is a new prospect.

2. A pegmatite containing clear and flat ruby muscovite has been exposed in a cut.

3. Proposed exploration outlined by the field team is consistent with good engineering practices and estimated costs are in line with other DMEA projects.

Recommendation:

I concur with the recommendation of the field team that a unit-cost contract be approved.

W. F. Dietrich

W. F. Dietrich

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

IN REPLY REFER TO:

RECEIVED
DEC 18 1956
D.M.E.A.

December 17, 1956
Re: DMEA 4512
Yates Bennett and S. L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina
Applicant's Estimate $9,900.00
Recommended $6,029.00 - 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 exploring a 2½-foot pegmatite, which has been exposed recently by open cut. Good mica was recovered in the cut. The general mineralogic aspect and environment appear favorable and the examiners and Field Team recommend approval of a work program consisting of road building, shaft sinking and drifting.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

A

RECEIVED
DEC 12 1956
D.M.E.A.

December 10, 1956

Memorandum

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

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

Subject: Field Team Report, Docket No. DMEA-4512 (Mica)
Yates Bennett and S. L. Phillips, Spruce Pine, N. C.
Palen Ridge Prospect, Yancey County, North Carolina

Enclosed are the original and three copies of the subject report and nine copies of the map.

The Field Team agrees with the recommendation and recommends a unit cost contract for exploration of this prospect.

The field examiners report that the total acreage of the Threadgill property is in excess of 8,000 acres.

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

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

Enclosures 13

Reviewed by
DMEA OPERATING COMMITTEE
12-14-56
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEC 12 1956
DMEA

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION, REGION V

On

DMEA-4512, PALEN RIDGE PROSPECT - Mica
Yancey County, North Carolina

By

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

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

and

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

Reviewed by
DMEA OPERATING COMMITTEE
12-14-56
(date)

November 28, 1956

ON-SITE Report

FIELD EXAMINATION REPORT

On

DMEA-4512, PALEN RIDGE PROSPECT - Mica

RECEIVED 12 1956 DMEA

Applicants: Yates Bennett and S. L. Phillips, Spruce Pine, N. C.

Summary

Strategic, flat, ruby muscovite occurs in a pegmatite $2\frac{1}{2}$ feet thick in association with quartz. One crystal of muscovite recovered from the open cut is reported to have weighed 12 pounds. The field examiners recommend a unit-cost program of exploration because of a good mineralogic and textural environment.

Introduction

Location and Access

This new prospect is on Winter Star Ridge (at elevation 4700 feet) S. 16° W. from the Cattail Mine and 2.85 airline miles S. 47° E. from Pensacola, N. C. (Black Brothers, N. C., Quad., TVA, 1947, 200-SE, 1/24,000).

Access is good by a jeep road from the South Fork of Cattail Creek towards Deep Gap. The road turns northward and winds up the side of the ridge to within 300 yards of the prospect. An access road of about 1000 feet will have to be contoured from the existing road.

Applicants and Facilities

Both applicants have worked under previous DMEA contracts and have proven to be very competent men.

A hoist, representing the only equipment on the property, is on the jeep road about 300 yards from the prospect. No electricity or water is near.

Examination, Leased Area

A three-hour examination was made of the subject property on November 28, 1956, in the company of S. L. Phillips and Yates Bennett.

Mr. Bennett pointed out the extent of the Threadgill Boundary, showing the 600-ft square leased area to be well within the tract and about 5300 feet west from Corner No. 10 (U. S. Forest Service and Threadgill Corner) on Deer Knob (called Deer Mt. on Quadrangle map).

Geology

This is a new prospect on the Threadgill Boundary. A partly back-filled cut, made since July 1956 by the Applicants, trends N. 35° E. is 8 to 10 feet deep, and 5 to 6 feet wide.

Pegmatite and Country Rock

A discordant pegmatite 2½ feet thick is composed essentially of oligoclase, quartz, and ruby muscovite, with some minor sericite. It strikes N. 35° E. and dips an inferred 70° SE while the enclosing hard muscovite-biotite gneiss foliation trends N. 24° E. and dips 60° NW. Many apophyses of pegmatite penetrate the gneiss on the hanging wall.

The oligoclase is generally medium-grained, especially near the hanging wall where it is associated with muscovite and disseminated quartz masses.

Muscovite

Ruby muscovite cyrstals, 3-4 inches wide, were observed in the dump and in the hanging wall of the pegmatite. Most of the crystals are clear and flat, but a few are cracked on the edges. Ruling is a minor defect noted in some books.

The largest book recovered is reported to have been 10 inches wide and 6 inches thick with a weight of 12 pounds. The majority however was in the 4 to 6 inch range.

Some of the trimmed muscovite was observed in a mica-trimming shop in Micaville. Of that already trimmed about ½ pound would be $40.00 size and quality while about 4 or 5 pounds would be of the $18.00 size. It is not known what total number of pounds of block that represents.

Conclusions and Recommendations

The Field Examiners recommend that a Unit-Cost contract be prepared to properly explore this body. Excellent quality ruby mica in association with considerable quartz makes this prospect attractive. The exploration program should consist of access road construction, sinking 60 feet of shaft, and driving 80 feet of drift from the shaft bottom. No facilities exist on the property; a toolhouse, powder magazine and an exploder magazine should also be included in the program.

Estimated Costs:

Access road - 1000' x 10' x 2' = 740 cu. yds. @ $0.40/cu. yd.		$296.00
Toolhouse	$75.00	
Powder Magazine	25.00	
Exploder Magazine	15.00	
		115.00
Sink 60 feet of two-compartment vertical and/or inclined shaft, 5' x 7' in crosssection, and install separated manway. (40 shifts) Use 1.7/shift = 36 shifts		
Labor:		
1 - Foreman-Miner @ $1.75/hr.	$560.00	504.00
1 - Hoistman @ $1.50/hr.	480.00	432.00
1 - Laborer @ $1.00/hr.	320.00	288.00
	1360.00	1224.00

DMEA-4512 - Palen Ridge Prospect

$250/mo 1½ Mo.

Equipment (Rental)

1 - 105 c.f.m. Air Compressor @ $150/Mo.	$300.00
1 - Single-drum gasoline powered hoist @ $50/Mo.	100.00
1 - Air Rock drill w/air hose @ $40/Mo.	80.00
1 - Air Sump pump @ $40/Mo.	80.00
	560.00

= 450.00

Supplies:

Gasoline and oil	150.00
Explosives	185.00
Drill steel	108.00
Timber - 2500 b.f. @ $65/M	162.00
Small tools, pipe, etc.	120.00
Sales tax	22.00
Liability Insurance & Social Security	152.00
	899.00

($46.98/ft) Estimated Cost of Shaft Sinking $2,819.00

Use $44.00/ft. $2,573

Drive 80 feet of drift, 5' x 7' in cross-section and timbered where necessary. (40 shifts)

Use 2.2 ft/shift = 36 shifts

Labor:

1 - Foreman-Miner @ $1.75/Hr.	560.00	504.00
1 - Hoistman @ $1.50/hr.	480.00	432.00
1 - Laborer @ $1.00/hr.	320.00	288.00
	1360	1224.00

Equipment (Rental)

$250/mo

1 - Air Compressor @ $150/Mo.	300.00
1 - Single drum, gasoline powered hoist @ $50/Mo.	100.00
1 - Air Rock drill w/air hose @ $40/Mo.	80.00
1 - Air Jackleg @ $25/Mo.	50.00
1 - Air Sump pump @ $40/Mo.	80.00
	610.00

= 450.00

Supplies:

Gasoline and oil	140.00
Explosives	240.00
Drill steel	120.00
Timber - 1000 b.f. @ $65/M	65.00
Miscellaneous	92.00
Sales tax	20.00
Liability Ins. & Social Security	152.00
	829.00

($34.99) Estimated Cost of Drifting $2,799.00

Estimated Total Cost of Project $2503.00 $6,029.00

use $33.00/ft.

DMEA-4512 - Palen Ridge Prospect

Examined: November 28, 1956

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

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

g

Docket Copy
Surname:
Anderson
Houk
Selfridge
Lamb
Kilgaard
Selfridge

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

NOV - 9 1956

Messrs Yates Bennett and
Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Falen Ridge Prospect
Yancey County, North Carolina

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. 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.

If an examination is made please furnish the examining engineers with the total acreage of the property deeded to Ethel H. Threadgill and recorded in Book 75, Page 244 of the county public records.

Sincerely yours,

Frank E. Johnson
(by es)
ACTING Administrator

WCAnderson:gad 11/8/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.G.

Docket Copy
Surname:
Anderson
Selfridge

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

NOV 9 1956

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

Re: Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Palen Ridge Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

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

Please note we have requested the applicants to furnish the examining engineers with the total acreage of the Threadgill Property.

Copies of memoranda dated November 1 and 5, 1956, by Mr. N.E.Nelson, USGS, and Mr. Donald R. Irving, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GLB)

Approved:

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

Thor H. Kiilsgaard (GLB)
Member, Geological Survey

Enclosures 4

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

R. E. L.

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

A November 5, 1956

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

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4512 (mica)

Applicant: Yates Bennett and Sam L. Phillips

Name and Location of Property: Palen Ridge Prospect, Spruce Pine, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/25/56

Comments:

1. 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.
2. Applicants do not indicate if any mica bearing pegmatite has been observed.
3. No definite exploration target has been designated.
4. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

Recommendation:

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

Donald R Irving
Donald R. Irving

IN REPLY REFER TO:

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

A

RECEIVED NOV 2 1956 D.M.E.A.

November 1, 1956

Re: DMEA 4512
Yates Bennett & Sam Phillips
Palen Ridge Prospect
Yancey Co., N. C.
$9,900.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicants request assistance in exploring a pegmatite on which work has been done but no particulars are given. No information is given concerning the pegmatite except that the applicants believe "some good quality ruby mica will be recovered."

The work proposed consists of bulldozing, shaft sinking and drifting.

Referral of the application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Washington 25, D. C.

October 25, 1956

Mr. Yates Bennett
Spruce Pine,
North Carolina

Subject: DMEA-4512
Re: Exploration Assistance
Palen Ridge Prospect

Dear Mr. Bennett

Your application for exploration assistance, dated October 18, 1956 submitted to our office at Knoxville, has been assigned Docket Number DMEA-4512 and referred to the Nonmetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Chief
Operations Control and
Statistics Division

Copy to:

Region V. Knoxville, Tennessee

Code 600

3571

November 18, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals

1. Docket No. DMEA-4512-Mica
Contract No. Idm-E1047
Palen Ridge Prospect
Yancey County, North Carolina

Application: Form MF-103(April 1952) received October 22, 1956.

Work Proposed:

50 hours bulldozing @ $10.00/hr.	$500.00
80 feet of shaft @ $55.00/ft.	4,400.00
125 feet of drift @ $40.00/ft.	5,000.00
Amount requested	$9,900.00

Operators:
Yates Bennett and Sam L. Phillips
Spruce Pine, North Carolina

Operator's Property Rights: Five year mining lease on the Perry Threadgill Property consisting of approximately 8 acres, dated October 1, 1956. Consent to Lien and Subordination Agreement dated October 1, 1956.

2. Contract: Form MF-200A(April 1956), dated December 31, 1956.

Work Authorized:

Construction - access road	$296.00
Construction - toolhouse, powder & exploder magazine	116.00
60 feet of shaft @ $44.00/ft.	2,640.00
80 feet of drifts and/or crosscuts @ $33.00/ft.	2,640.00
Estimated total cost of project	$5,692.00
Government participation @ 75%	$4,269.00

Amendments:
No. 1, 4/3/57, commencement of work was changed from February 10, 1957 to April 3, 1957.

Work Completed:

Access road	$296.00
Construction - toolhouse, powder & exploder magazine	116.00
35 feet of shaft @ $44.00/ft.	1,540.00
Total accepted cost	$1,952.00
Government participation @ 75%	$1,464.00

Work began on March 25, 1957 and ended on May 2, 1957.
It was terminated by mutual agreement on May 27, 1957.
Field Team Final Report received June 26, 1957. Operator's Final Report received May 6, 1957. No equipment purchased under contract.

3. Audit: Report of Review dated May 14, 1957

Accepted cost	$1,952.00
Government contribution	$1,464.00

4. Certification of Discovery or Development - none issued.
Value of mica production during operation - none.
Royalty received ---------- - none.

5. Comments:

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

Operation: Good.

Engineering: Reporting by Operator was acceptable.

Geologic Premise: The premise that a 2½ foot pegmatite exposed at the surface and containing mica crystals weighing 12 pounds would continue in depth was wrong, as the pegmatite pinched out at shallow depth.

Geologic Criteria upon which work was based:

1. Pegmatite: Discordant, 2½ feet thick, composed of oligoclase, quartz, muscovite, and minor sericite.
2. Mica: Ruby, 3 - 4 inches wide, mostly clear and flat, few are cracked and ruled. Largest book - 10 inches wide by 6 inches thick, weighing 12 pounds.
3. Past Production: none.

Geologic Criteria developed during project:

1. Pegmatite: Thin, discordant, unzoned, pinching our at shallow depth, 17 feet, 2½ feet thick at surface. Consists of plagioclase, quartz, muscovite, and sericite. Enclosing rock is biotite-muscovite gneiss.
2. Mica: Ruby, clear, flat, minor ruling.

Future Possibilities: None, since no reserves of strategic mica were indicated by the work.

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

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 11/19/57
Copy to: Admr. R. File
Mr. Houk

NOV 21 1957

Mr. and Mrs. Percy Threadgill

Pensacola, North Carolina

Re: Docket No. DPLA-451c-Mica
Yates Bennett and Sam L. Phillips
Falen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-51047

Dear Mr. and Mrs. Threadgill:

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

This correspondence relates to the Consent to Lien and Subordination Agreement signed by you on October 1, 1956.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

WCAnderson:rsi 11/19/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

600

NOV 25 1957

Messrs. Yates Bennett and
Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMA-4512-Mica
Yates Bennett and Sam L. Phillips
Falen Ridge Prospect
Yancey County, North Carolina
Contract No. 1da-61047

Gentlemen:

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:rai 11/19/57
Copy to: Admr. R. File
Mr. Chambers
Field Team, Region V
Mr. Killegaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. and Mrs. Percy Threadgill

EXTRA COPY
DMEA
RECEIVED JUL 3 1957

DATE	INITIALS	CODE

July 2, 1957
Re: DMEA 4512, Idm-K1047
Yates Bennett and S. L. Phillips
Palem Ridge Prospect
Yancey County, North Carolina
Mica

Memorandum

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

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

Subject: Review of Field Team Final Report

The contract, awarded December 31, 1956, approved the expenditure of $5,692.00 on bulldozing of a road, shaft sinking and drifting.

The road was built and the shaft was sunk 35 feet. The thin, discordant pegmatite which was 25 feet in a cut pinched out at 17 feet. Other narrow lenses pegmatites were cut in the lower part of the shaft, but the results were so unfavorable the contract was terminated by mutual agreement, May 27, 1957, only $1,952.00 having been spent.

No mica was 'discovered' and the examiners and the Field Team recommend that no certification of discovery be made.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

NENelson:pbb
G: 7/2/57

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

EXTRA COPY
DMEA
RECEIVED JUN 7 1957

DATE	INITIALS	CODE

June 5, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Termination Agreement - Idm-E1047, DMEA-4512-Mica

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

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

Robert A. Laurence
Executive Officer, DMEA
Region V

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

zm.
cc
Lynch
Finance Office
Shirley
Files

Division Copy

TERMINATION AGREEMENT

It is agreed this 27th day of May, 1957, between the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Yates Burnett and Sam L. Phillips, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-21047 (Docket No. 4512), dated December 31, 1956, hereinafter called the "Contract," that:

1. Effective May 3, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

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

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

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, percentage royalty and items for its payment, records, audits, and recovery of any overpayment, are preserved.

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

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

THE UNITED STATES OF AMERICA

By C. Mittenburg
Administrator, Defense Minerals Exploration Administration

Yates Burnett
Yates Burnett

Sam L. Phillips
Sam L. Phillips

RECEIVED
DATE
CODE

600

MAY 28 1957

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

Re: Docket No. DMEA-4512-Mica
Yates Bennett and Sam L. Phillips
Helen Ridge Prospect
Yancey County, North Carolina
Contract No. Idm-E1047

Dear Mr. Laurence:

Reference is made to the Field Team's memorandum of May 8, 1957, recommending termination of the subject contract by mutual agreement.

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

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

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

Approved:

A. D. McMahon

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures 8

WCAnderson:rd 5/24/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Metrich, 3061
Mr. Houk

Extra Copy

[illegible] AGREEMENT

It is agreed this 27th day of May, 1957, between the United States of America [illegible] of the Interior, Bureau Reports Reclamation Administration, hereinafter called the "Government," and John Knapik and Ann L. Williams, hereinafter called the "Operator," pursuant to that certain Exploration Project Contract Ida-[illegible] (Serial No. [illegible]), dated December [illegible], 1956, hereinafter called the "Contract," that:

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

2. The Government shall compensate only to the final work report of work performed prior to said effective date.

3. The Operator shall promptly perform all obligations and settlement actions provided for in the Contract, including the preparing of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to a certification of discovery or development, provisions regarding and liens for the payment, recovery, retention, and recovery of any overpayment, are preserved.

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

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

THE UNITED STATES OF AMERICA

C. C. Mitendorf

By [illegible]
Exploration Administration

[illegible]

Ann L. Williams

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

OFFICIAL BUSINESS

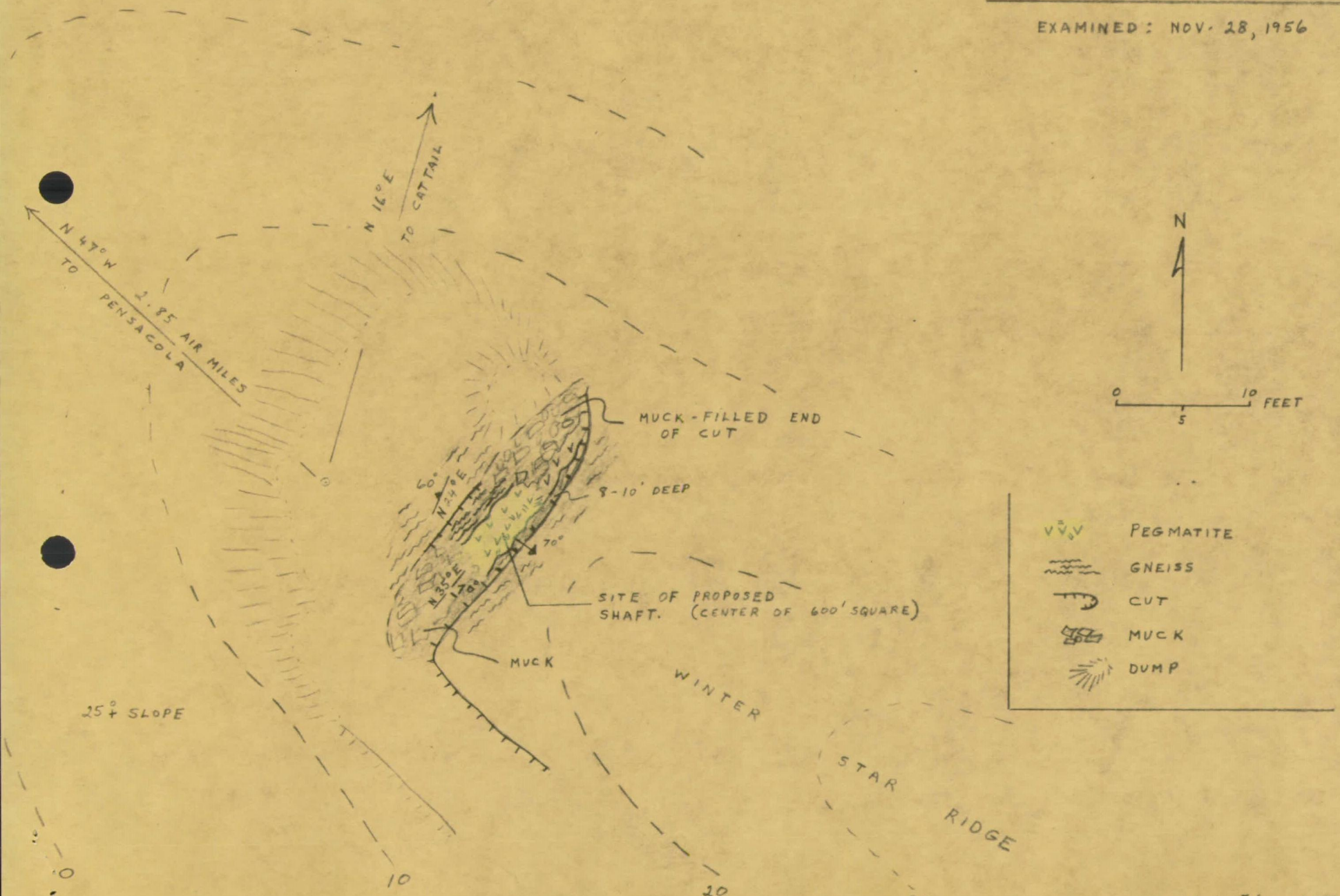
PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(PMGC)

DMEA 4512

extra copies

DMEA - 4512 MICA
PALEN RIDGE PROSPECT
YANCEY CO., N.C.

EXAMINED: NOV. 28, 1956



12-4-56 ART

RECEIVED
DEC 12 1956
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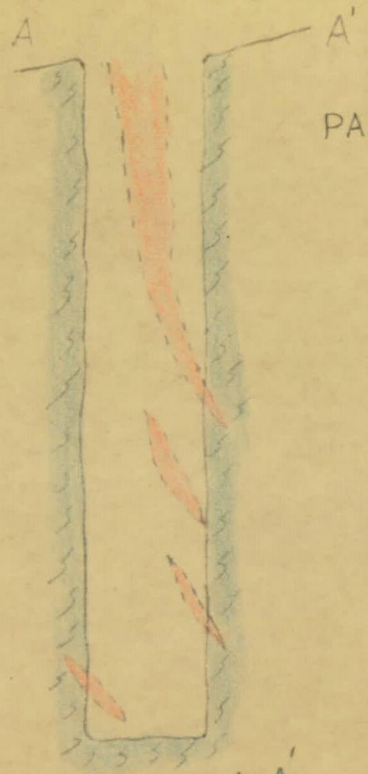
DMEA - 4512 (mica)
PALEN RIDGE PROSPECT
YANCEY CO., N.C.
6-21-57



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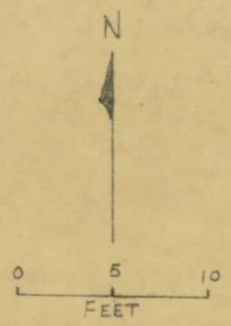


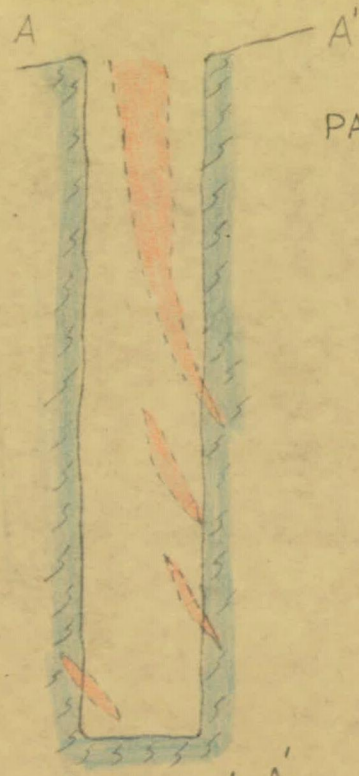
LEGEND

- pegmatite
- mica gneiss
- cut
- shaft
- strike & dip of foliation
- strike & dip of contact

EXTRA COPY
D M E A
RECEIVED JUN 26 1957

DATE	INITIALS	CODE

DMEA - 4512 (mica)
PALEN RIDGE PROSPECT
YANCEY CO., N.C.
6-21-57



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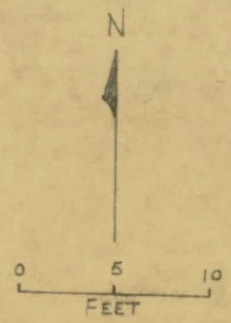

LEGEND

- pegmatite
- mica gneiss
- cut
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- strike & dip of foliation
- strike & dip of contact

OFFICIAL FILE COPY
D M E A
RECEIVED JUN 26 1957

DATE	INITIALS	CODE