DMEA Form 1

DEFENSE MINERALS EXPLORATION ADMINISTRATION
Control Slip

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DMEA Docket No. 4517

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Routing Slip

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| To: | 600 | Date | 10/26/56 |
| To: | Mr Hopkins | Date | 10-26-56 |
| To: | Oper Com | Date | 12-12-56 |
| To: | F. E. Johnson | Date | 12-14-56 |
| To: | [illegible] | Date | 12-14-56 |
| To: | 130 | Date | 2-14-57 |
| To: | 110 | Date | 2-15-57 |
| To: | 100 | Date | 2-15-57 |
| To: | 225 | Date | 2-15-57 |
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DMEA Form 7
(12-56)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 2/14 | Anderson | 600 |
| 2/14 | Houk | 600 |
| 2/15 | Selfridge | 130 |
| " | Johnson | 110 |
| " | Mittendorf | 100 |
| 2/19 | [illegible] | 220 |

600

FEB 18 1957

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4517-Mica
John Phillips
Arnold Rock and Charlie Hole
Prospects
Avery County, North Carolina

Lamb
Kiilsgaard

Dear Mr. Phillips:

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

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

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:gad 2/11/57
Copy to: Admr. R. File
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

Memorandum February 14, 1957

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Evaluation of Application and Field Examination Report.
Docket No. DMEA-4517-Mica
John Phillips
Arnold Rock and Charlie Hole Prospects
Avery County, North Carolina

Denial of application is recommended.

Mica: Flat, hard, greenish-brown, one inch by one inch and smaller in size, bad cracking and staining.

Pegmatite: Thick vertical sequence of flat-lying pegmatite, containing thin layers of gneiss, concordant with enclosing muscovite-biotite gneiss. The pegmatite consists of a coarse textured mixture of oligoclase and perthite with occasional small muscovite and biotite.

Old workings: Two extensive shallow excavations.

Past Production: Primarily mined for feldspar, a little mica was recovered.

Method of exploring: Applicant's proposal -

| | |
|---|---|
| Arnold Rock Prospect | |
| 150 feet of adit @ $35/ft. | $5,250.00 |
| 100 feet of drift @ $35/ft. | 3,500.00 |
| Charlie Hole Prospect | |
| 70 feet of shaft @ $50/ft. | 3,500.00 |
| 100 feet of drift @ $35/ft. | 3,500.00 |
| Total requested | $15,750.00 |

Recommendation: Because of the poor mineralogic environment and sparse occurrence of very small and poor quality of mica, the Field Team recommends denial. The Nonmetallic Minerals Division and the commodity members of the Geological Survey and the Bureau of Mines concur.

Walter C. Anderson
Walter C. Anderson
Nonmetallic Minerals Division

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

February 12, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4517 (mica)

Applicant: John Phillips

Name and Location of Property: Arnold Rock and Charlie Hole Prospects, Avery County, North Carolina

Date of Field Team Report: 1/10/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/7/57

Field Team Recommendation: Recommend that the application be denied.

Comments:

1. Two excavation pits in pegmatite, about 100 feet and 40 feet in diameter, have produced only a relatively small amount of mica.

2. The mica observed was greenish brown in sizes of one inch by one inch or smaller with some cracking and mineral intergrowth.

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

Recommendation:

I concur with the recommendation of the field team that the application be denied.

W. F. Dietrich

W. F. Dietrich

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RECEIVED FEB 13 1957

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| 2/13 | C | 220 |
| | | 600 |
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IN REPLY REFER TO:

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

OFFICIAL FILE COPY
RECEIVED FEB 11 1957

| DATE | INITIALS | CODE |
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| 2/12 | C | 220 |
| 2/13 | Anderson | 600 |
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| | | |

February 7, 1957

Re: DMEA 4517
John Phillips
Arnold Rock and Charlie Hole Prospects
Avery Co. N. C.
$15,750 - 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 two pegmatites in one tract of land.

The pegmatites are flat lying in a thick vertically exposed sequence of pegmatites and thin layers of gneissic country rock. In addition to the large natural exposures 2 excavations have been made, both almost entirely in pegmatite.

Because the large exposures show that the strategic mica content of the two pegmatites is low and the environment is unfavorable the examiners and the Field Team conclude more work is not warranted and recommend that the application be denied.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

January 30, 1957

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RECEIVED FEB 4 1957

| DATE | INITIALS | CODE |
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| 2/4 | C | 220 |
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| 2-11 | C | 220 |
| 2-12 | Anderson | 600 |
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Memorandum

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

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

Subject: Field Examination Report - DMEA-4517 - Mica
John Phillips, Spruce Pine, North Carolina
Arnold Rock and Charlie Hole Prospects
Avery County, North Carolina

Enclosed are four copies of the subject examination report. The Field Team agrees with the recommendation of the examiners that the application be denied.

V. J. Lynch
V. J. Lynch
Acting Executive Officer

Helmuth Wedow, Jr.
Helmuth Wedow, Jr.
Geologist
U. S. Geological Survey

Enclosures 4

Reviewed by
DMEA OPERATING COMMITTEE
2-8-57
(date)

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 4 1957

| DATE | INITIALS | CODE |
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UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# FIELD EXAMINATION REPORT, REGION V

On

## DMEA-4517, (mica) ARNOLD ROCK AND CHARLIE HOLE PROSPECTS
Avery County, North Carolina

By

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

and

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

January 30, 1957

Reviewed by
DMEA OPERATING COMMITTEE
2-8-57
(date)

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DMEA
RECEIVED FEB 4 1957

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# FIELD EXAMINATION REPORT

ON

DMEA-4517, (mica) ARNOLD ROCK AND CHARLIE HOLE PROSPECTS

Applicant: John Phillips, Spruce Pine, North Carolina

## Summary

Both prospects should be considered together as they are part of the same exposure. Pegmatite is exposed vertically for a distance of at least 150 feet up a steep ravine wall adjacent to Wolf Ridge Falls. Flat-lying individual layers of relatively coarse textured pegmatite up to 70 feet thick are interlayered with thin layers of gneissic country rock. Muscovite appears to be sparse and of random distribution. One small sale made by the applicant was 68% stained and heavy-stained and 85% in sizes 5½-6. No target could be defined for exploration purposes and very little potential for the occurrence of strategic muscovite observed. The examiners recommend that the application be denied.

## Introduction

### Location

The prospects are located 1.4 airline miles S. 85° W. of Spear, Avery County, North Carolina. They lie adjacent to a branch of Hensons Creek just below Wolf Ridge Falls on the northeast slope of Cane Creek Mountain at an elevation of between 3600 and 3750 feet (Carvers Gap, N.C.-Tenn. TVA Ed. 1934 1:24,000).

### Examination

The prospects were visited on January 9, 1957, and examined over a period of about two hours. The examiners were accompanied by Messrs. Ramey Beam, John Phillips, and Carl Harding. The prospects lie on a steep rocky and wooded slope adjacent to a creek between Rube Greentop and Wolf Ridge. The pegmatite is exposed in the creek bed and intermittently

upslope for a distance of at least 250 feet in outcrop and two extensive but shallow excavations. The prospects are reached by about 0.9 miles of rough, rocky, but passable jeep road from the paved Hensons Creek Road. No equipment or buildings are at the site. The area is about 1000 feet southwest of the presently active Wolf Ridge Feldspar Mine. The Arnold Rock prospect is situated in the lower of the two excavations, a bowl-shaped rock cut roughly 100 feet in diameter beginning near creek level and extending upslope. The Charlie Hole prospect is a shallow excavation about 40 feet indiameter lying 50 feet upslope from the lower site. Both excavations have been cut almost entirely in pegmatite. Although a little muscovite has been recovered, mining seems to have been prosecuted primarily for feldspar.

## Geology

The two prospects have been excavated in a thick vertical sequence of flat-lying pegmatites. The Arnold Rock pegmatite outcrops for about 50 feet vertically below the excavation in the stream bed. The cut exposes an additional 30 vertical feet of pegmatite. At the upper end of the cut, is a concordant contact with a muscovite-biotite gneiss. The contact strikes roughly east-west and undulates from near horizontal at the northern or uphill side of the cut to 45° south towards the stream, the contact is again horizontal where it crosses the stream. The Charlie Hole pegmatite is exposed about 50 feet upslope and to the north from the upper end of the Arnold Rock excavation. Intermediate pegmatite outcrop indicates the intervening gneiss is rather thin. At least 25 vertical feet of pegmatite is exposed in the upper excavation and in outcrop. A concordant flat-lying contact with muscovite-biotite gneiss is exposed in the head of the upper excavation.

At least 125 vertical feet of pegmatite, including the intervening rib of gneiss are exposed on the hillside in excavation and outcrop. The lack of outcrop of the upper pegmatite in the stream bed and the configuration of the contacts suggests a lenticular "tonguing out" of the pegmatites to the south somewhat en echelon upwards and to the north.

The Arnold Rock pegmatite consists of a medium to coarse textured mixture of oligoclase and perthite, with occasional to considerable small muscovite and biotite. Accessory minerals consist of coarse red garnet and massive apatite. Considerable graphic textured material was observed. The Charlie Hole pegmatite is composed of coarsely crystalline perthite and disseminated masses of quartz with large crystals of biotite. Most of the perthite is intergrown graphically with fine quartz. Most of the muscovite seen was in the lower excavation where plagioclase was more abundant.

It is flat, hard, greenish brown in color and in sizes of 1" by 1" or smaller. Defects noted were bad cracking and some mineral intergrowth or staining, probably biotite. Two small sales have been made by the applicant. Previous to November 16, 1956, 12.12 pounds of sheet material and on that date 12.30 additional pounds which broke down in the following way: 3.92 lbs. good stained, 5.26 lbs. stained, and 3.12 lbs. heavy stained. Of the 12.30 lbs., 10.54 lbs. was No. 5½ and 6 size. The value of these two sales is not known.

## Conclusions and Recommendations

A poor mineralogic environment as well as sparse and random occurrence of very small size muscovite in an extremely large pegmatitic body, makes the definition of an exploration target or the outlining of an exploration program

virtually impossible at the site of the two subject prospects. It is the recommendation of the examiners that the application be denied.

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

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

Docket Copy
Surname:

Houk
Selfridge
Johnson

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

DEC 14 1956

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

Re: Docket No. DMEA-4517-Mica
John Phillips
Arnold Rock and Charlie Hole
Prospects
Avery County, North Carolina

Dear Mr. Laurence:

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

In a letter dated November 30, 1956, the applicant submitted an amended legal description of the property. If a contract is recommended, a new lease and Consent to Lien and Subordination Agreement will be required.

Copies of memoranda dated November 2 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

Approved:

Frank D. Lamb
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 4

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

R.S.

Docket Copy
Surname:

Hopkins
Houk
Kiilsgaard
Lloyd
Selfridge
Johnson

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

Mr. John Phillips

DEC 14 1956

Spruce Pine, North Carolina

Re: Docket No. DMEA-4517-Mica
John Phillips
Arnold Rock and Charlie Hole
Prospects
Avery County, North Carolina

Dear Mr. Phillips:

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

In your breakdown of costs you have noted the rentals of a new and an old compressor. Please explain why two are needed and give age, size, and manufacturer's name of each.

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

Sincerely yours,

C. O. Mittendorf

Administrator

JHopkins:gad 12/12/56
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.L.

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

WASHINGTON 25, D. C.

H

RECEIVED DEC 10 1956 D.M.E.A.

December 7, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V - Knoxville, Tenn.

Subject: DMEA-4517, Arnold Rock & Charley Hole Prospects, Avery County, N.C.

Enclosed is a letter from Arthur Buchanan, Jr. with 3 copies of cost details and a property map, all related to the subject application.

These were received in this office October 5, and are probably in response to Mr. Lawrence G. Houk's letter of November 9, to Mr. John Phillips, Spruce Pine, North Carolina.

V. J. Lynch

V. J. Lynch

December 12

RECEIVED
DEC 10 1956
D.M.E.A.

Spruce Pine, North Carolina
November 30, 1956

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

Re: DMEA-4517 (Mica)
Arnold Rock and Charley Hole Prospects
Avery County, North Carolina

Dear Mr. Laurence:

We wish to make an amendment to the legal description for the above Prospects, changing it to read as follows:

Beginning on an iron stake in the center of what is known as the Arnold Rock and Charley Hole Prospects, and running North 665' to a stake, thence 77° East 330' to a Sugar tree, thence South 54° East 363' to a Lynn on North Bank of Henson Creek, thence South 1000', thence West 1090' to a stake in line between John C. McBee, Sr. and Land and Mineral Company, thence North 53° East with said line 495' to a Birch at Marcus Falls, thence North 52° West 660' to a stake, thence North 742' to a stake, thence South 77° East 650' to a point of closing.

Very truly yours,

Arthur Buchanan, Jr., Agent

Arthur Buchanan Jr

P/j

RECEIVED
DEC 5 - 1956
U. ...vey
Geologic Division
Knoxville, Tenn.

attach to application -

AERNOLD ROCK and CHARLIE HOLE PROSPECTS

Answer - 6.

| | | |
|---|---|---|
| New Air Compressor | $ 200.00 | per. month |
| Used Air Compressor | 150.00 | " |
| Hoist | 50.00 | " |
| Drill | 40.00 | " |
| Jackleg | 25.00 | " |
| Air Pump | 40.00 | " |

Supplies (Lumber & Timber , $150.00)

(Gas 15 to 20 gallon per day)

(Oil 3 to 4 quarts per day)

(Explosives 100# per day) ?

(Drill-steel $70.00 ea. 4 weeks)

Social Security - 2% of wages.

Unemployment Insurance - 2.7% of wages.

Regular Insurance $ 9.18

Libality Insurance 1%

RECEIVED
DEC 5 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

RECEIVED
DEC 10 1956
D.M.E.A.

December 7, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V - Knoxville, Tenn.

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V. J. Lynch

VJL/zm
cc
Lynch
Shirley
Files

RECEIVED
DEC 10 1956
D.M.E.A.

Spruce Pine, North Carolina
November 30, 1956

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

Re: DMEA-4517 (Mica)
Arnold Rock and Charley Hole Prospects
Avery County, North Carolina

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Very truly yours,

Arthur Buchanan, Jr., Agent

Arthur Buchanan Jr.

P/j

RECEIVED
DEC - 1956
Knoxville, Tenn.

attach to application-

ARNOLD ROCK and CHARLIE HOLE PROSPECTS

Answer - 6.

| | | |
|---|---|---|
| New Air Compressor | $ 200.00 | per. month |
| Used Air Compressor | 150.00 | " |
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| Drill | 40.00 | " |
| Jackleg | 25.00 | " |
| Air Pump | 40.00 | " |

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(Gas 15 to 20 gallon per day)

(Oil 3 to 4 quarts per day)

(Explosives 100# per day)

(Drill-steel $70.00 ea. 4 weeks)

Social Security - 2% of wages.

Unemployment Insurance - 2.7% of wages.

Regular Insurance $ 9.18

Libality Insurance 1%

RECEIVED

December 7, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region V - Knoxville, Tenn.

Subject: DMEA-4517, Arnold Rock & Charley Hole Prospects, Avery County, N.C.

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These were received in this office October 5, and are probably in response to Mr. Lawrence G. Houk's letter of November 9, to Mr. John Phillips, Spruce Pine, North Carolina.

V. J. Lynch

VJL/zm
cc
Lynch
Shirley
Files

Spruce Pine, North Carolina
November 30, 1956

RECEIVED
DEC 10 1956
D.M.E.A.

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

Re: DMEA-4517 (Mica)
Arnold Rock and Charley Hole Prospects
Avery County, North Carolina

Dear Mr. Laurence:

We wish to make an amendment to the legal description for the above Prospects, changing it to read as follows:

Beginning on an iron stake in the center of what is known as the Arnold Rock and Charley Hole Prospects, and running North 665' to a stake, thence 77° East 330' to a Sugar tree, thence South 54° East 363' to a Lynn on North Bank of Henson Creek, thence South 1000', thence West 1090' to a stake in line between John C. McBee, Sr. and Land and Mineral Company, thence North 53° East with said line 495' to a Birch at Marcus Falls, thence North 52° West 660' to a stake, thence North 742' to a stake, thence South 77° East 650' to a point of closing.

Very truly yours,

Arthur Buchanan, Jr., Agent

Arthur Buchanan Jr

P/j

RECEIVED
DEC 3 - 1956
Geologic Division
Knoxville

ARNOLD ROCK and CHARLIE HOLE PROSPECTS

Answer - 6.

| | | |
|---|---|---|
| New Air Compressor | $ 200.00 | per. month |
| Used Air Compressor | 150.00 | " |
| Hoist | 50.00 | " |
| Drill | 40.00 | " |
| Jackleg | 25.00 | " |
| Air Pump | 40.00 | " |

Supplies (Lumber & Timber , $150.00)

(Gas 15 to 20 gallon per day)

(Oil 3 to 4 quarts per day)

(Explosives 100# per day)

(Drill-steel $70.00 ea. 4 weeks)

Social Security - 2% of wages.

Unemployment Insurance - 2.7% of wages.

Regular Insurance $ 9.18

Libality Insurance 1%

RECEIVED
DEC 3 - 1950

Docket Copy
Surname:

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

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4517-Mica
John Phillips
Arnold Rock and Charlie Hole Prospects
Avery County, North Carolina

Dear Mr. Phillips:

Reference is made to your application for exploration assistance dated October 11, 1956, on the subject property.

Before your application can be processed it will be necessary for you to reply more fully to Items 3 and 6 of the application form. Under Item 6 please give a breakdown of your costs into the categories listed on the form.

In regard to the land under lease from the Land and Mineral Company, what is the total acreage of the tract of land in which the leased area is located? The legal description states that an iron stake is located at the center of the Arnold Rock and Charlie Hole Prospects. Please indicate the location of this stake on your sketch which is enclosed, and advise if it has been tied in by a survey.

Upon receipt of the above information we will continue to process your application.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure

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

P.S.

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

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

H

November 5, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4517 (mica)

Applicant: John Phillips

Name and Location of Property: Arnold Rock Prospect and Charlie Hole Prospect, Avery County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/26/56

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. Applicant states that these mines were worked years ago; but there is no record of production.
3. The two prospects are only a few hundred feet apart.
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.

RECEIVED NOV 2 1956 DMEA

November 2, 1956

Re: DMEA 4517
John Phillips
Arnold Rock and Charlie Hole Prospects
Avery County, North Carolina
$8,750.00
$7,000.00 - Mica

Memorandum

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

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

Subject: Review of application.

The applicant requests assistance in exploring two pegmatites in one tract of land.

The proposed work on the Arnold Rock pegmatite consists of a crosscut 150 feet long and 100 feet of drifting.

The work proposed for the Charlie Hole pegmatite consists of 70 feet of shaft and 100 feet of drift.

The deposits are credited with production, obtained "some years ago."

As usual the applicant believes strategic mica will be found, but gives no reason for thinking so.

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 26, 1956

Mr. John Phillips
Spruce Pine,
N. C.

Subject: DMEA-4517
Re: Exploration Assistance
Arnold Rock & Charlie Hole

Dear Mr. Phillips

Your application for exploration assistance, dated September 11, 1956 submitted to our office at Knoxville, has been assigned Docket Number DMEA-4517 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

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 24 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. 4517
Metal or Mineral Mica
Date Received 10-24-56
Estimated Cost $15,750
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: John 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. Arnold Rock Prospect & Charlie Hole 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 owner.

(*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 attached sheet.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

## CERTIFICATION

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

Dated 9-11-56, 195...

John Phillips
(Applicant)

By John 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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OCT 24 1953

MF-103 ( Continuation Sheet)

4. (a) These mines have been mined some, years ago. Applicant has no interest in previous operations.

(b) No records available.

(c) With exploration work, we belive that strategic mica will be found.

(d) Project is accessible to roads and shipping.

(e) Manpower, equipment and supplies available. Power is approximately $\frac{1}{4}$ mile away.

5. (b) On the Arnold Rock Prospect we propose to run an adit of 150' into mountain, then drift with vein a distance of 100'. On the Charlie Hole Prospect we propose to sink a shaft a distance of 70' then drift with vein 100'.

6- Estimate of costs:

#1 Arnold Rock Prospect

| | |
|---|---|
| 150' Adit @ $35.00 per foot - - - - - - - - - - | $ 5250.00 |
| 100' Drift @ $35.00 per foot - - - - - - - - - - | 3500.00 |
| Total estimate of project: | 8750.00 |

No .2 Charley Hole Project

| | |
|---|---|
| 70' Shaft @ $50.00 per foot - - - - - - - - - - | $ 3500.00 |
| 100' Drift @ $35.00 per foot - - - - - - - - - | 3500.00 |
| Total estimate of project: | 7000.00 |
| Total estimated cost of both projects: | $ 15,750.00 |

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 24 1956

# CONSENT TO LIEN
# and
# SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Avery, State of North Carolina, described as follows: 2/

Beginning on an iron stake in the center of what is known as the Arnold Rock Prospect and Charley Hole Prospect which is located 780' South 14 degrees East to a large Cucumber tree, this being a corner in the property line between Land and Mineral Company, John McBee, Sr. and Robert Houston, as shown on deed recorded in Register of Deeds Office in Newland, Avery County, Book #26, Page #112, and running 600' North; thence 600' East; thence 1200' South; thence 1200' West; thence 1200' North; thence 600' East to a point of closing. This property located on the headwaters of Little Hensons Creek.

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.)

None

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: _____ (State "None" or "See Annex No.____")
THIS CONSENT TO LIEN SHALL NOT REMAIN IN FORCE FOR MORE THAN A MAXIMUM OF TEN YEARS.

Dated this 8th day of September, 1959.

LAND AND MINERAL COMPANY [Seal] _____ [Address]
by J. Fuller Brown, Pres

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (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.

J. L. Wheeler
[Corporate Seal]

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 24 1956

# CONSENT TO LIEN
# and
# SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Avery, State of North Carolina, described as follows: 2/

Beginning on an iron stake in the center of what is known as the Arnold Rock Prospect and Charley Hole Prospect which is located 700' South 14 degrees East to a large Cucumber tree, this being a corner in the property line between Land and Mineral Company, John Lobee, Sr. and Robert Houston, as shown on deed recorded in Register of Deeds Office in Newland, Avery County, Book #26, Page #112, and running 600' North; thence 600' East; thence 1200' South; thence 1200' West; thence 1200' North; thence 600' East to a point of closing. This property located on the headwaters of Little Hensons Creek.

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.)

None

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: _____ (State "None" or "See Annex No.____")
THIS CONSENT TO LIEN SHALL NOT REMAIN IN FORCE FOR MORE THAN A MAXIMUM OF TEN YEARS.

Dated this 12th day of September, 1954.

LAND AND MINERAL COMPANY [Seal] _____ [Address]
by J. Fuller Brown, Pres.

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (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.

J. L. Wheeler
[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
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For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

RECEIVED
OCT 24 1956

# CONSENT TO LIEN
# and
# SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Avery, State of North Carolina, described as follows: 2/

Beginning at or from stake in the center of what is known as the Arnold Rock Prospect and Charley Hole Prospect which is located 700' South 15 degrees East to a large Chestnut tree, this being a corner in the property line between Land and Mineral Company, John Estes, Sr. and Robert Hamton, as shown on deed recorded in Register of Deeds Office in Morland, Avery County, Book 176, Page 242, and running 600' North; thence 600' East; thence 1200' South; thence 1200' West; thence 1200' North; thence 600' East to a point of closing. This property located on the backslope of Little Hanging Creek.

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.)

None

---

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: _____ (State "None" or "See Annex No.____")
THIS CONSENT TO LIEN SHALL NOT REMAIN IN FORCE FOR MORE THAN A MAXIMUM OF TEN YEARS.

Dated this [redacted] day of September, 195[redacted].

| | | | |
|---|---|---|---|
| LAND AND MINERAL COMPANY<br>by J Fullen Brown, Pres | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fullen Brown who signed this agreement was then President (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.

J L Wheeler

[Corporate Seal]

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

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
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# and
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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.)

None

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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: _____ (State "None" or "See Annex No.____")
THIS CONSENT TO LIEN SHALL NOT REMAIN IN FORCE FOR MORE THAN A NUMBER OF TEN YEARS.

Dated this 24th day of September, 1951.

LAND AND MINERAL COMPANY [Seal] _____ [Address]
by J. Fuller Brown, Pres

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (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.

J. L. Wheeler
[Corporate Seal]

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 _____

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

RECEIVED
OCT 24 1956

To the United States of America:

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Beginning on an iron stake in the center of what is known as the Arnold Rock Prospect and Charley Hole Prospect which is located 780' South 14 degrees East to a large Cucumber tree, this being a corner in the property line between Land and Mineral Company, John McBee, Sr. and Robert Houston, as shown on deed recorded in Register of Deeds Office in Newland, Avery County, Book #26, Page #112, and running 600' North; thence 600' East; thence 1200' South; thence 1200' West; thence 1200' North; thence 600' East to a point of closing. This property located on the headwaters of Little Hensons Creek.

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--

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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.)

None

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.

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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: _____ (State "None" or "See Annex No. ____")
THIS CONSENT TO LIEN SHALL NOT REMAIN IN FORCE FOR MORE THAN A MAXIMUM OF TEN YEARS.

Dated this 11th. day of September, 1956.

| | | | |
|---|---|---|---|
| LAND AND MINERAL COMPANY by J. Fuller Brown, Pres | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (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.

J. L. Wheeler
[Corporate Seal]

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 24 1956

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Avery, State of North Carolina described as follows: 2/

Beginning on an iron stake in the center of what is known as the Arnold Rock Prospect and Charley Hole Prospect which is located 780' South 14 degrees East to a large Cucumber tree, this being a corner in the property line between Land and Mineral Company, John McBee, Sr. and Robert Houston, as shown on deed recorded in Register of Deeds Office in Newland, Avery County, Book #26, Page #112, and running 600' North; thence 600' East; thence 1200' South; thence 1200' West; thence 1200' North; thence 600' East to a point of closing. This property located on the headwaters of Little Nonsong Creek.

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.)

None

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: _____ (State "None" or "See Annex No. ____")
THIS CONSENT TO LIEN SHALL NOT REMAIN IN FORCE FOR MORE THAN A MAXIMUM OF TEN YEARS.

Dated this 11th. day of September, 1956.

| | | | |
|---|---|---|---|
| LAND AND MINERAL COMPANY<br>by J. Fuller Brown Pres | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |

I, J. L. Wheeler certify that I am the Asst. Secy. (Secretary, etc.) of the corporation named herein; that J. Fuller Brown who signed this agreement was then President (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.

J. L. Wheeler
[Corporate Seal]

NORTH CAROLINA
~~BUNCOMBE~~ Mitchell COUNTY

RECEIVED
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THIS AGREEMENT made the 11th. day of September, 19 56, between the LAND & MINERAL COMPANY, a corporation organized pursuant to the laws of the State of Delaware, hereinafter sometimes designated as "Lessor," party of the first part; and,

John Phillips

of Spruce Pine, N.C.

hereinafter sometimes designated as "Lessee,"
(This designation shall include the respective parties, whether one or more, individual or corporate, and their respective successors in interest or assigns), party of the second part:

**W I T N E S S E T H**

That the said Lessor, for and in consideration of the premises and of the sum of One Dollar paid said Lessor by Lessee, the receipt of which is hereby acknowledged, and of the undertakings and agreements hereinafter set forth and stated to be kept and performed by the Lessee, has leased and granted, and by these presents does lease and grant unto the Lessee the sole and exclusive right and privilege of digging, boring and otherwise prospecting for, and mining mica, including scrap, sheet and punch mica, and Feldspar, and _____, and to remove the same from the following described tract or tracts of land situate in the State of North Carolina, County of Avery, and bounded and more particularly described as follows:

Beginning on an iron stake in the center of what is known as the Arnold Rock Prospect and Charley Hole Prospect which is located 780' South 14 degrees East to a large Cucumber tree, this being a corner in the property line between Land and Mineral Company, John McBee, Sr. and Robert Houston, as shown on deed recorded in Register of Deeds Office in Newland, Avery County, Book #26, Page #112, and running 600' North; thence 600' East; thence 1200' South; thence 1200' West; thence 1200' North; thence 600' East to a point of closing. This property is located on the headwaters of Little Hensons Creek.

TO HAVE AND TO HOLD the said premises for the purposes aforesaid only, unto the said Lessee for and during the term of one (x) 5 year next ensuing from the 11th. day of September, 1956.

1. The Lessee covenants and agrees to pay to the Lessor on the 10th day of each month, the following royalties:
   (a) Scrap mica—a sum equal to 1/8 of the then prevailing market price.
   (b) Sheet and punch mica—a sum equal to 1/8 of the then prevailing market price.
   (c) Feldspar—a sum equal to 50¢ per ton of 2240 pounds.
   (d) All other minerals—a sum equal to _____ of the then prevailing market price,
   **(e) No mica to be sold in block form.**

   mined and removed from said premises pursuant to the provisions of this lease during the month immediately preceding said dates of payments, which payments shall be made to the Lessor at its office in Biltmore, North Carolina, or to its duly designated agent, for that purpose,

   Arthur Buchanan, Jr., in complete settlement of any and all royalties due the Lessor for minerals mined and removed during the preceding month and each remittance of royalty payments herein specified shall be accompanied by an accurate statement or invoice and/or weight ticket, showing the amount, grade, qualification and weight of the mica and other minerals upon which said payments are based, together with such other information as may be incident to the mining, sale and shipment of said mica.

2. The Lessee agrees to pay to the Lessor a minimum royalty of $ None per year during the term hereof, without regard to the mica, feldspar or other minerals produced from said land; for any period less than a year the minimum royalty payable hereunder shall be ratably ascertained, providing that nothing in this paragraph contained shall release the Lessee from the obligation to prosecute mining operations with a reasonable degree of efficiency and to pay the royalties provided upon the mica and other minerals actually produced. The annual royalties received pursuant to paragraph 1, hereof, shall apply against said minimum royalties but said sums received under paragraph 1, hereof, shall not be considered as advance and cumulative royalties against said minimum royalties.

3. The Lessee covenants and agrees to keep adequate, accurate and complete records, books and accounts of all mica and other minerals mined within the boundaries of the premises above described, and the same shall be open to inspection of the Lessor at all reasonable times.

4. The said Lessee will classify, segregate and keep separate and separately marked, all mica and other minerals mined upon and taken from the premises hereinabove described and in no event will store, ship, mix or confuse the same with mica and other minerals mined or taken from any other land or premises.

5. The Lessor hereby grants to the Lessee the right to mine, prospect, search, dig, bore and excavate for mica and other minerals in as many places on the premises above described as the said Lessee may deem proper, and to extract and remove the same from said premises.

6. The Lessor hereby grants to the Lessee the same right that it has to construct ditches, drains, aerial tramways, tramways, railroads, truck roads, to and across said premises and any adjoining tracts of land belonging to the Lessor, but subject to any obligation of the Lessor in connection therewith which Lessee assumes.

7. The Lessor hereby grants to the Lessee such rights as it has in the premises above, to cut and use such timber located upon the said premises as may be necessary for the construction of buildings and/or for other usual purposes of such mining operations, upon paying for the merchantable timber the reasonable market stumpage value thereof at and upon the aforesaid land and premises, but subject to any obligation of the Lessor in connection therewith, which the Lessee assumes.

8. The Lessor hereby grants to the Lessee such rights as it has to use any stone or gravel located on the aforesaid premises for the purpose of constructing roads necessary and suitable for the full enjoyment of the mining rights hereby leased by the Lessee, as well as such right as it has to use or secure water on said premises and to dump waste material and water arising through the mining operations upon said premises, but subject to any obligation of the Lessor in connection therewith, which Lessee assumes.

9. The Lessor hereby grants to the Lessee the right to remove his mining machinery and equipment at any time within ninety (90) days after the termination or expiration of this lease, provided the time for the removal of said machinery and equipment may be enlarged only by written permission of the Lessor. No mining machinery and equipment belonging to the Lessee shall be removed from said premises until all of the indebtedness and obligations which may be owing to the Lessor by the Lessee shall have been paid in full.

10. The Lessor reserves unto the Lessor the right to use so much of the premises as shall not be required by the Lessee for the mining operations of the Lessee.

11. The Lessee agrees to pay all taxes which may be levied solely upon the mining operations conducted upon the said premises by the Lessee.

12. The Lessee shall have the right to terminate this lease at any time during the term aforesaid upon giving written notice to Lessor of such intention, at least sixty (60) days prior to the date of termination, and upon payment of all sums due Lessor by Lessee to said date of termination. Said notice shall be sent by Registered Mail to last known address of Lessor.

13. The Lessee agrees to conduct his mining operations in a businesslike and workmanlike manner with due regard to Lessor's rights in the mines, minerals and mineral deposits, and to that end the Lessee agrees to keep and maintain the mines and all parts thereof in good and sufficient repair and to work and operate said mines in a good and skillful manner not removing the rich parts of the mines at the expense of the other part thereof, and as the work progresses to keep the mines as clean as reasonably practicable, and all parts thereof securely and properly timbered and supported; and in case of open work to properly slope the walls and banks so as to prevent the same from slipping or falling in; that no waste, rubbish or refuse will be dumped, thrown or placed in any mine, mine tunnel, cut shaft or other improper place, and no waste will be permitted upon said premises nor avoidable damage done to mine thereunder. Lessee further agrees not to interfere with, dislocate, remove, damage or misplace any surface monuments, marker stake or other evidence as presently set defining the boundaries of said premises.

14. The Lessor reserves the right to terminate and cancel this lease in the event of a default on the part of the Lessee in complying with any of the terms and conditions of this lease, provided said default shall continue for a period of sixty days after the Lessor has forwarded written notice thereof to the Lessee. Said notice shall be sent by registered mail to the last known address of the Lessee.

15. The Lessee shall have the right to renew this lease for an additional period of Five years. _____, upon the terms and conditions hereinbefore set forth, provided that 30 days prior to the expiration of this lease the Lessee shall forward to the Lessor written notice thereof in the manner hereinbefore provided for sending notices to Lessee.

16. The Lessee will within a period of 60 days from the signing of this lease begin active work in prosecuting the mining operations for scrap mica, sheet and punch mica, feldspar and other minerals and will continue the prosecution of said mining operations in good faith and with due diligence and activity in order to produce the maximum output from the mines located on the above described premises. In the event Lessee fails to operate actively and continuously any mine or mines within said boundary for the production of scrap mica, sheet and punch mica, feldspar and other minerals for a period of 30 days, except for causes absolutely beyond Lessee's control, then the Lessor, at its option, may declare this lease void and of no further force and effect.

17. It is agreed that during the continuation this lease, or any extension thereof, the Lessor or its assigns shall have the refusal of and the right and option to purchase all mica mined and produced by the Lessee from the land and premises hereinabove described. Such purchase to be at the prevailing market price.

18. It is agreed that the acceptance of royalty by the Lessor under the provisions of this lease is to to be a credit in behalf of the Lessee but is not to be taken or considered as a waiver for any damages Lessor may be entitled to recover from Lessee for any breach or breaches that Lessee may make in any duty or covenant expressed or reasonably implied in this lease or as an estoppel against Lessor in this respect. Nothing contained in this lease is intended to, nor shall it abridge or in any way modify the Lessor's right or rights in or to any action for the non-performance of the covenants of this lease.

19. It is agreed that this lease shall not be transferred, assigned or sub-let either in whole or in part by the Lessee without the prior written consent of the Lessor and no right or privilege of the Lessee hereunder can be transferred, assigned or sub-let by Lessee without such written consent of Lessor first had and obtained.

20. Lessee agrees that the Lessor shall in no sense or in any way be held liable for any operations under this lease, and in no event and under no circumstances shall Lessor be held liable for any debt, tort or other liability of the Lessee, his agents, workmen or employees and Lessee further agrees to at all times indemnify and save harmless said Lessor of any claim and demand of whatsoever kind and nature predicated in any manner on such operations under this lease and Lessee further agrees to carry adequate insurance of all kinds to so indemnify said Lessor.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly and properly executed as of the day and year first above written.

LAND AND MINERAL COMPANY
By: Arthur Buchanan Agt
~~President~~ Agent

ATTEST:

_____
Secretary

_____ (SEAL)

_____ (SEAL)

NORTH CAROLINA
~~BUNCOMBE~~ Mitchell COUNTY

I, a Notary Public of said State and County, certify that Arthur Buchanan personally came before me this day and acknowledged that he is _____ Secretary of LAND AND MINERAL COMPANY, a corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal, and attested by himself as its agent Secretary.

WITNESS my hand and Notarial Seal, this the 22 day of Oct, 1956.

Kenneth R McKinney NOTARY PUBLIC

My commission expires: 8/17/57

NORTH CAROLINA
~~BUNCOMBE~~ Mitchell COUNTY

I, _____, a Notary Public of said State and County, do hereby certify that _____ personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS my hand and Notarial Seal, this _____ day of _____, 19____.

_____ NOTARY PUBLIC

My commission expires:

_____

STATE OF NORTH CAROLINA
COUNTY OF ~~BUNCOMBE~~ Mitchell

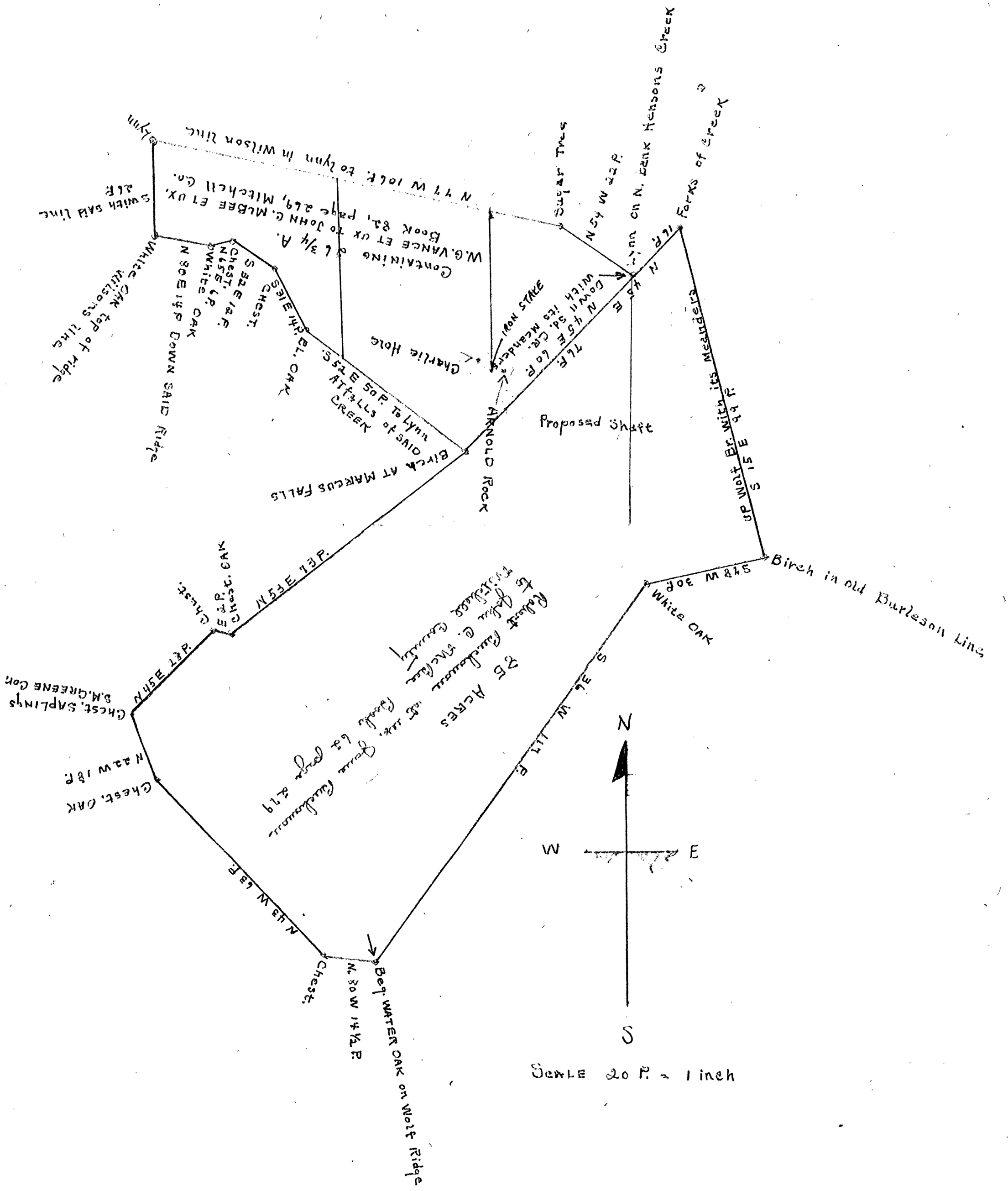
**LAND AND MINERAL COMPANY**

**To**

# LEASE

Filed for registration on the_____ day of_____, 19____, at_____o'clock _____M., and registered in the Office of The Register of Deeds for_____ County, North Carolina in Book_____ Page_____.

_____
Register of Deeds for




SCALE 20 P. = 1 inch