IMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4650

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(Withdrawn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

9775

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

Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Tom-PS
Contract Date

RECEIVED FEB 25 1957 D.M.E.A.

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 a stake which is 50' East of what is known as the Callahan Prospect, which is located North 16° East 840' to a large White Oak Tree, and running North 300'; thence West 300'; thence South 600'; thence East 600'; thence North 600'; thence West 300' to a point of closing. This prospect is located one mile West of Frank, North Carolina, and is recorded in Book #215, Page #141, in Register of Deeds Office in Avery County.

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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;

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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;

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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.____")

Dated this 19 day of Feb., 1957.

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[Corporate Seal]

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

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EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
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(Combines and supercedes MF-201 and MF-203)
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Operator _____
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MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED FEB 25 1957 D.M.E.A.

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. 4650
Metal or Mineral Mica
Date Received 2/25/57
Estimated Cost $ 6,800.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sam L. Phillips
Spruce Pine, N.C.

(*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. Callahan Prospect -

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

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

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

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

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

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

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

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

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

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

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. 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)? 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 2-19-57, 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

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 25 1957

DATE	INITIALS	CODE

MF-103 (Continuation Sheet)

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

(b) No records of past productions.

(c) From apperance of the previous work done, we beleive that with exploration work we will be able to recover some good ruby mica.

(d) Project is accessible to roads and shipping.

(e) Manpower, supplies and equipment are available. Power is approximately 1/4 mile away.

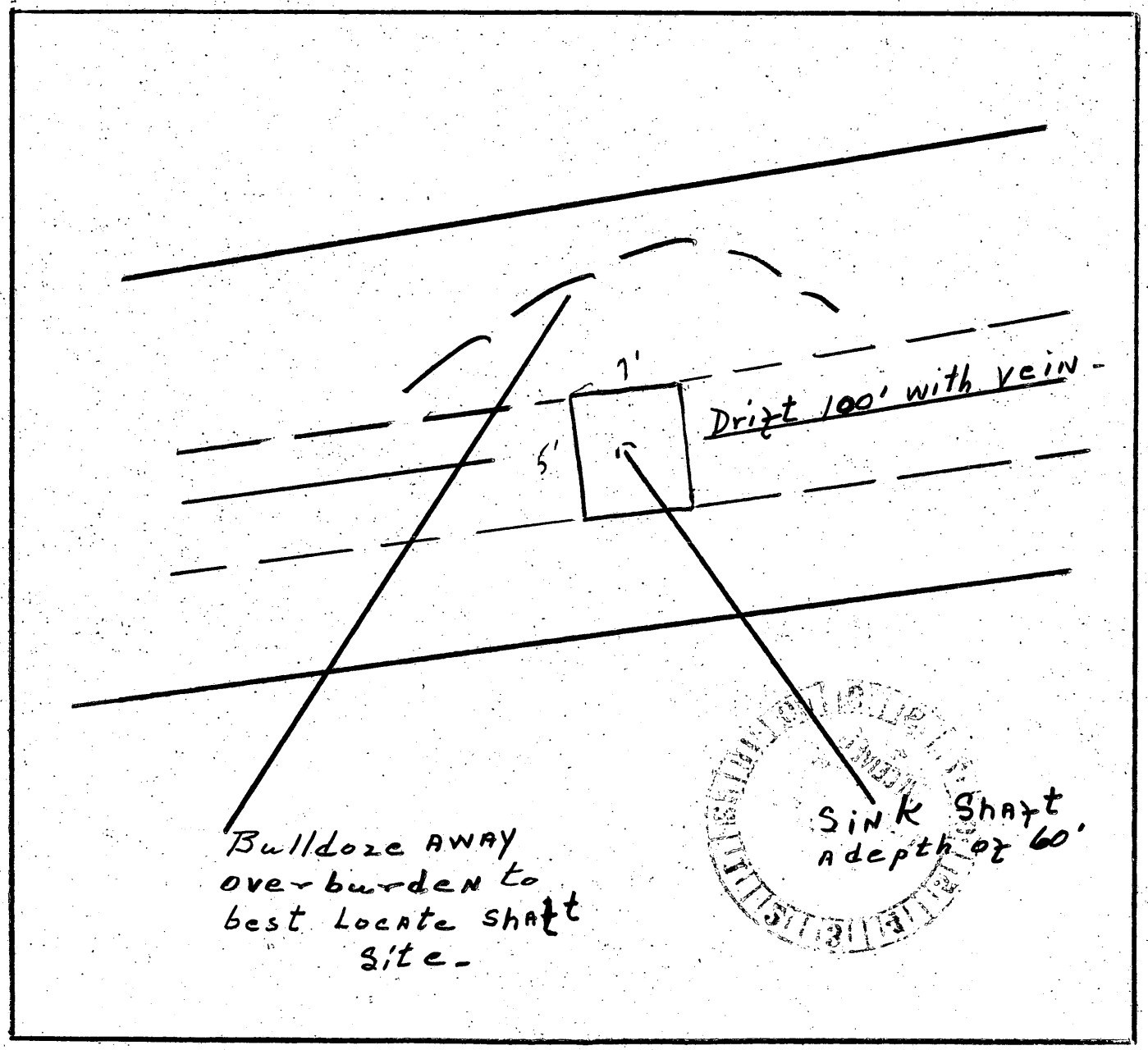
5. (b) We propose to bulldoze away overburden to best locate shaft site, then sink shaft a depth of 60', then drift with vein a distance of 100'.

6. Estimate of costs:

30 Hrs. Bulldozing @ $10.00 per hr. - - - -	$ 300.00
60' Shaft @ $50.00 per foot - - - - - - - -	3000.00
100' Drift @ $35.00 per foot - - - - - - - -	3500.00
Total estimated cost of project:	$ 6800.00

"Callahan Prospect"

Avery County, N.C.



RECEIVED
FEB 25 1957
D.M.E.A.

MINING LEASE

State of North Carolina Avery County:

This indenture made this 19 day of February, 1957, ~~1953~~,

between ~~Minnie~~ Nettie Farmer

of Avery County and State of North Carolina as party of the first part, and known as lessor, and Sam L. Phillips

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

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

Beginning on a stake which is 50' East of what is known as the Callahan Prospect, which is located North 16° East 840' to a large White Oak Tree, and running North 300'; thence West 300'; thence South 600'; thence East 600'; thence North 600'; thence West 300' to a point of closing. This prospect is located one mile West of Frank, North Carolina, and is recorded in Book #215, Page #141, in Register of Deeds Office in Avery County.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8 (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 $50,000.00, 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 lessor. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

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

Witness:

Nettie Farmer (Seal)

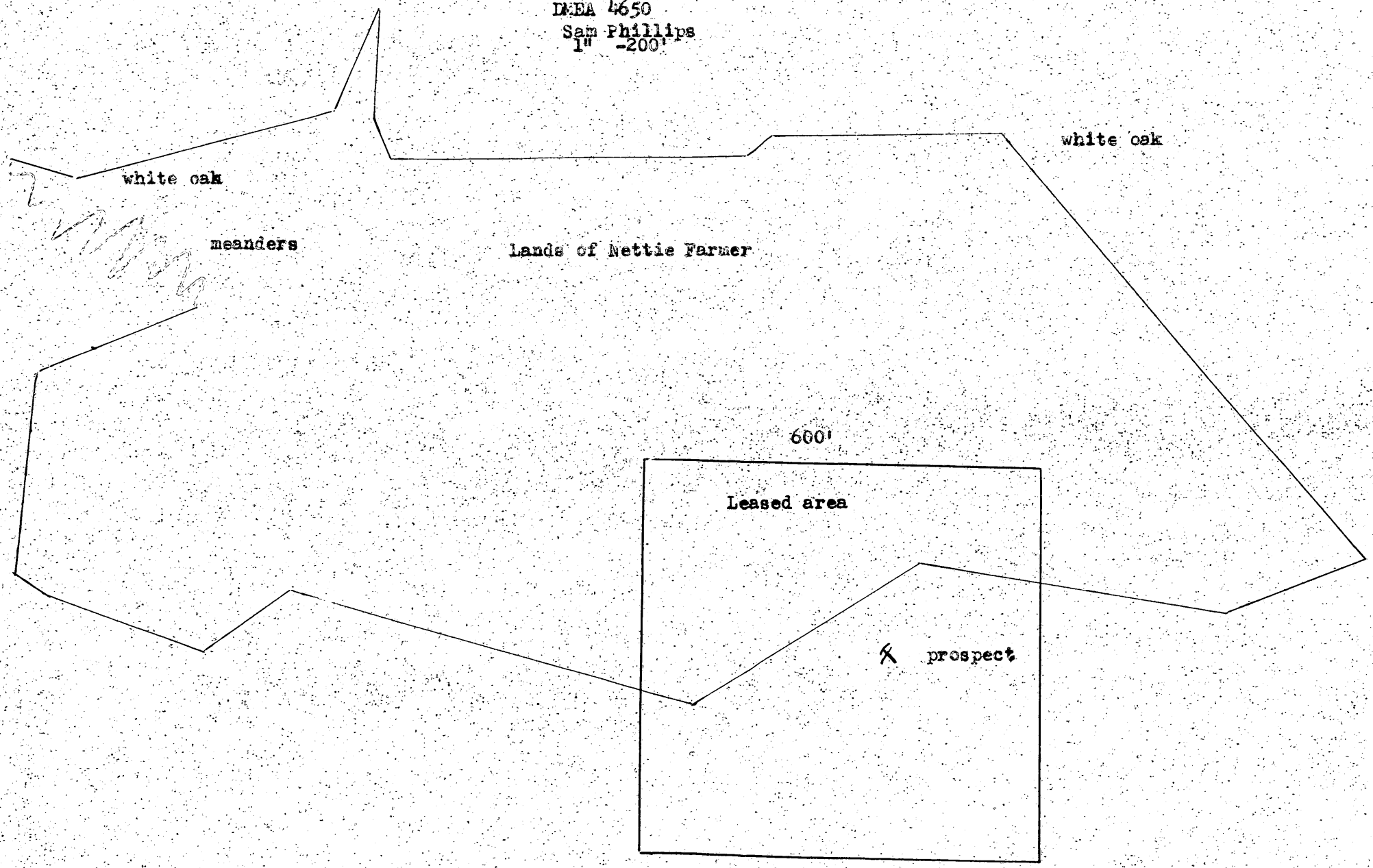
Verna P. Watson
Notary Public
My Commition expires April 13-1957

(Seal)

(Seal)

RECEIVED
FEB 25 1957
D.M.E.A.

24 Acre tract book 215 page 141
CALLAHAN PROSPECT
Avery County North Carolina
DMEA 4650
Sam Phillips
1" -200'



DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/19	Houk	600
4/24	Fellbridge	130
"	Johnson	110
"	Mittendorf	100
4/25	Zaid	220

600

APR 24 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4650-Mica
Sam L. Phillips
Callahan Prospect
Avery County, North Carolina

Kilsgaard
Lamb

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,

O. O. Mittendorf (for)

Administrator

LGHouk:gad 4/18/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

April 22, 1957

Memorandum

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Evaluation of application and field examination report.
Docket No. DMEA-4650-Mica
Sam L. Phillips
Callahan Prospect
Avery County, North Carolina

Denial of application is recommended.

Mica: Muscovite comprises about 5 to 10% of the volume of the pegmatite and almost entirely of poor commercial quality. Largest seen was in books about 6" across, most in books about 3" across, dark brownish-green, bent, locky and heavily mineral stained.

Pegmatite: Well exposed feldspathic, mica-bearing body about 30' thick. Medium to coarse grained, unzoned, and is composed principally of microcline-perthite, plagioclase, quartz, and muscovite. Some scattered garnet and biotite found. Mineralogic environment considered unfavorable.

Workings: Consist of a semi-circular open cut about 25 feet wide that is partly backfilled, a stope about 20 x 30 feet in plan and 20 feet high and an easterly heading drift about 75 feet long, dug into a steeply westward sloping hillside covered with forest growth.

Past production: Application No. DMEA-3269, dated April 8, 1954, under the name of The Johnson Mine, was examined and denied 6/17/54. Sales of $800.00 worth of green mica which the present examiners believe represents far more in expenditure, was made during World War II, according to the records of the Colonial Mica Corporation.

Applicant's proposal:

30 Hrs. bulldozing @ $10.00/hr.	$300.00
Sink 60 ft. shaft @ $50.00/ft.	3,000.00
Drift 100 ft. @ $35.00/ft.	3,500.00
	$6,800.00

Recommendations: Because of the feldspathic nature of the pegmatite which is considered a poor mineralogic environment the Field Team recommend that the application be denied. The Nonmetallic Minerals Division concurs in the Field Team's recommendation as do the Commodity Members of the Bureau of Mines and the Geological Survey.

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

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DMEA
RECEIVED APR 22 1957

DATE	INITIALS	CODE
22	C	220
		600
April 22, 1957		

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4650 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Callahan Prospect, Avery County, N. C.

Date of Field Team Report: 4/10/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 4/15/57

Field Team Recommendation: Recommend that DMEA assistance be denied.

Comments:

1. A mica-bearing pegmatite about 30 feet thick is exposed on this property.

2. Field examiners state that muscovite comprises about 5 to 10 percent of the volume of the pegmatite but the mica is almost entirely of poor quality, bent, and heavily stained.

3. Reserves of strategic mica are estimated to be negligible.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

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

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DMEA
RECEIVED APR 17 1957

IN REPLY REFER TO:

DATE	INITIALS	CODE
4/17		220
		600

April 16, 1957
Re: DMEA 4650
Sam L. Phillips
Callahan Prospect (Johnson mine)
Avery County, North Carolina
$6,800.00 - 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 doing further work on a large regular conformable pegmatite on which considerable work has been done and from which a noncommensurable amount of mica was won.

The prospect, under the name of the Johnson Mine, was the subject of an application in 1954 (DMEA 3269). The application was denied, it being, in effect, the opinion of the examiners under that application that the work done had shown the pegmatite to have a low strategic mica bearing potential.

The present examiners and Field Team agree with the previous examiners and recommend that the present application also be denied. I concur with the recommendation.

N. E. Nelson

N. E. Nelson

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

OFFICIAL FILE COPY
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RECEIVED APR 12 1957

DATE	INITIALS	CODE
4/12	C	220
		130
4/15	C	220
4/16	[illegible]	600

April 10, 1957

Memorandum

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

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

Subject: Field Examination Report, DMEA-4650 (Mica)
Sam L. Phillips, Spruce Pine, N. C., Callahan Prospect, Avery County, North Carolina.

Enclosed are the original and three copies of the subject examination report.

We agree with the recommendation of the examiners that this application be denied.

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

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

as
cc
Opr. Com. 3
Lynch
Shirley
Files

Reviewed by
DMEA OPERATING COMMITTEE
4-15-57
(date)

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OFFICIAL FILE COPY
DMEA
RECEIVED APR 12 1957

DATE	INITIALS	CODE
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EXAMINATION REPORT BY FIELD TEAM
REGION V

DMEA-4650, CALLAHAN PROSPECT (mica)
Avery County, North Carolina

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

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

April 10, 1957

Reviewed by
DMEA OPERATING COMMITTEE
4-15-57
(date)

OFFICIAL FILE COPY
DMEA
RECEIVED APR 12 1957

DATE	INITIALS	CODE

FIELD EXAMINATION REPORT

DMEA-4650, CALLAHAN PROSPECT (mica)
Avery County, North Carolina

Applicant.--Sam L. Phillips, Spruce Pine, N. C.

SUMMARY

A feldspathic, mica-bearing pegmatite body about 30 feet thick, and conformable to the schistosity of the enveloping mica schist and gneiss is well exposed on the property. The mineralogic environment of the pegmatite body is considered unfavorable for the presence of significant quantities of strategic-grade mica, and all mica seen in place is of inferior quality. An application for DMEA assistance in an exploration program (DMEA-3269) on the property was filed on March 4, 1954, which was denied. Denial of DMEA assistance in exploration is recommended for the present application for similar reasons.

INTRODUCTION

Examination.--The Callahan Prospect (alias Johnson Mine and I. M. Johnson Mine) was examined on April 3, 1957, over a period of 1½ hours to ascertain if an exploration project with DMEA assistance is justified. Mr. John Phillips, representing his brother Sam L. Phillips, Applicant, accompanied the examiners. The examination was conducted in clear, warm weather.

Location and accessibility.--The property is located 0.35 miles airline N80W of Hughes, Avery County, N. C. (see Newland, N. C., quadrangle sheet, USGS 7½ minute series, 1:24,000) on the south side of Squirrel Creek in the SE 1/4 of the west-central 1/9 of the quadrangle at an approximate elevation of 3750 feet. Access to the property is good in all but extremely wet weather via a jeep trail that leaves the graded road along Squirrel Creek about 350 feet N35E of the mine.

THE PROPERTY

Physical features and development.--The mine workings consist of a semi-circular open cut about 25 feet wide that is partly backfilled, a stope

about 20 x 30 feet in plan and 20 feet high, and an easterly heading drift about 75 feet long. The workings are dug into a steeply westward sloping hillside that is covered with forest growth. No equipment or finished supplies are at the site.

History.--Application for DMEA assistance in exploration has been filed for previously on the property (DMEA-3269) and on April 8, 1954, the mine was examined under the name "The Johnson Mine." At that time, a recommendation for denial of assistance was made. According to the Field Examination Report, the mine was probably worked during World War II as the I. M. Johnson Mine by Mr. D. E. Burleson, and records of the Colonial Mica Corporation show sales of $800 worth of green mica from the mine.

GEOLOGY

The property is underlain by interlayered biotite-muscovite schist and gneiss and biotite schist that envelopes a feldspathic pegmatite body about 30 feet thick that is conformable to the schistosity. The attitude of the schistosity is somewhat variable, but averages about N20W and dips 35°SW. At one point in the stope the attitude of schistosity was measured at N15W, 46°SW. In the hanging wall, a shear zone about 5 feet thick has developed. The zone is composed of talcose schist and lies adjacent and parallel to the pegmatite body.

The pegmatite body is medium to coarse grained, unzoned, and is composed principally of the following minerals arranged in descending order of abundance: microcline-perthite, plagioclase, quartz, and muscovite. Scattered garnet and biotite are found throughout the pegmatite. The ratio of perthite to plagioclase is about 4:1, and the quartz is interstitial. Muscovite comprises about 5 to 10% of the volume of the pegmatite and is almost entirely of poor

commercial quality. The largest seen was in books about 6" across, but most was in books about 3" across, dark brownish-green, bent, locky, and heavily mineral-stained.

CONCLUSIONS AND RECOMMENDATIONS

The examiners mutually agree after their inspection that DMEA assistance for an exploration program is not justified at the Callahan Prospect. The feldspathic nature of the pegmatite is considered a poor mineralogic environment for the presence of a significant quantity of strategic-grade mica. Pegmatite bodies of similar mineralogy in the Spruce Pine District are recognized as having a low potential for strategic-mica production. The pegmatite body has been adequately explored by the existing workings, and the poor grade of mica seen throughout lends support to the above conclusions. As pointed out in the previous examination report, the past work appears to have been uneconomical. The examiners writing the present report believe that the volume of rock mined represents an expenditure of far more than the $800 worth of mica recovered during the operation. The examiners recommend denial.

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

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

s

This is the information you ask for on the : Callahan Prospect
DMEA-4650-Mica
Avery County, N.C.

Beginning on a Sarvice Tree on the road near the mill dam and runs North 84° West 28 poles to a stump, then South 56½ West 25 poles to a chestnut stump, then North 75 West 38 poles to a Beech, then South 54° West 10 poles to a Chestnut then North 70 West 16 poles to a Chestnut, thence North 53 West 2 poles and 22 links to a Maple, then North 4° East 18 poles and 9 links to a small Chestnut, then North 67 East 16 poles and 10 links to a small Beech at the creek then down the creek and with its meanders 40 poles to a stake in an old line then South 73 East 6 poles and 10 links to a White Oak, then North 75 East 24 poles and 10 links to a small Chestnut at the road, then with the road North 21 East 10 poles, then South 10 poles, then South 25 East 4 poles and 15 links to a stake in an old line, then North 88 East 32 poles and 10 links to a Chestnut then North 55 East 3 poles to a Chestnut then North 88½ East 20 poles and 18 links to a White oak, then South 40 East 51 poles and 10 links to a stake in Hughes line, then South 68 West 13 poles to the beginning, containing 24 acres more or less.

Copy of deed - Recorded in Avery County, Book $215, Page #141.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957
DATE | INITIALS | CODE
3/12 C 220
3/12 Schuck 600

Sam L. Phillips
Spruce Pine, N.C.

Mr. C.O. Mitt
United States
Defense Mine
Washington,

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/6	Houk	600
3/6	Selfridge	130
"	Johnson	110
"	Stillwagon	100
3/7		220
		600

600

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

MAR - 6 1957

Re: Docket No. DMEA-4650-Mica
Sam L. Phillips
Callahan Prospect
Avery County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated February 27 and March 4, 1957, by Mr. W. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures 5

LGHouk:gad 3/6/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/6	Houk	600
3/6	Selfridge	130
"	Johnson	110
"	Mathews	100
		220

600

MAR - 6 1957

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4650-Mica
Sam L. Phillips
Callahan Prospect
Avery County, North Carolina

Lamb
Kiilsgaard

Dear Mr. Phillips:

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

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

Please supply the total acreage in the tract described in book 215, page 141, and a metes and bounds description of this tract as copied from the county records. A tie from the stake to one of the corners of the bounding tract should also be given. Please supply this information in all future applications.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 3/1/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

March 4, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4650 (mica)

Applicant: Sam L. Phillips

Name and Location of Property: Callaham Prospect, Avery County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/26/57

Comments:

1. Applicant states that work by a previous applicant indicates some exploration work will enable him to recover some good ruby mica.

2. Government records in this office reveal that 22.37 pounds of ruby mica valued at $207.99 and 11.55 pounds of non-ruby mica valued at $99.94 was produced from a Callahan Mine and sold to the Spruce Pine Depot in 1954.

3. In view of above comments it is questionable whether further government participation in this prospect is warranted.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 5 1957

DATE	INITIALS	CODE
3/5	C	220
		600

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 28 1957

DATE	INITIALS	CODE
2/28	C	220
		600

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

February 27, 1957
Re: DMEA 4650
Sam L. Phillips
Callahan Prospect
Avery County, N. C.
$6,800 - 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 a pegmatite on which work has been done. The applicant as usual, had "no interest in the previous operation, and, as usual, has no information concerning the results obtained, but for reasons not given, believes "we (he) will be able to recover some good ruby mica".

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.

February 26, 1957

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Subject: DMEA-4650

Dear Mr. Phillips:

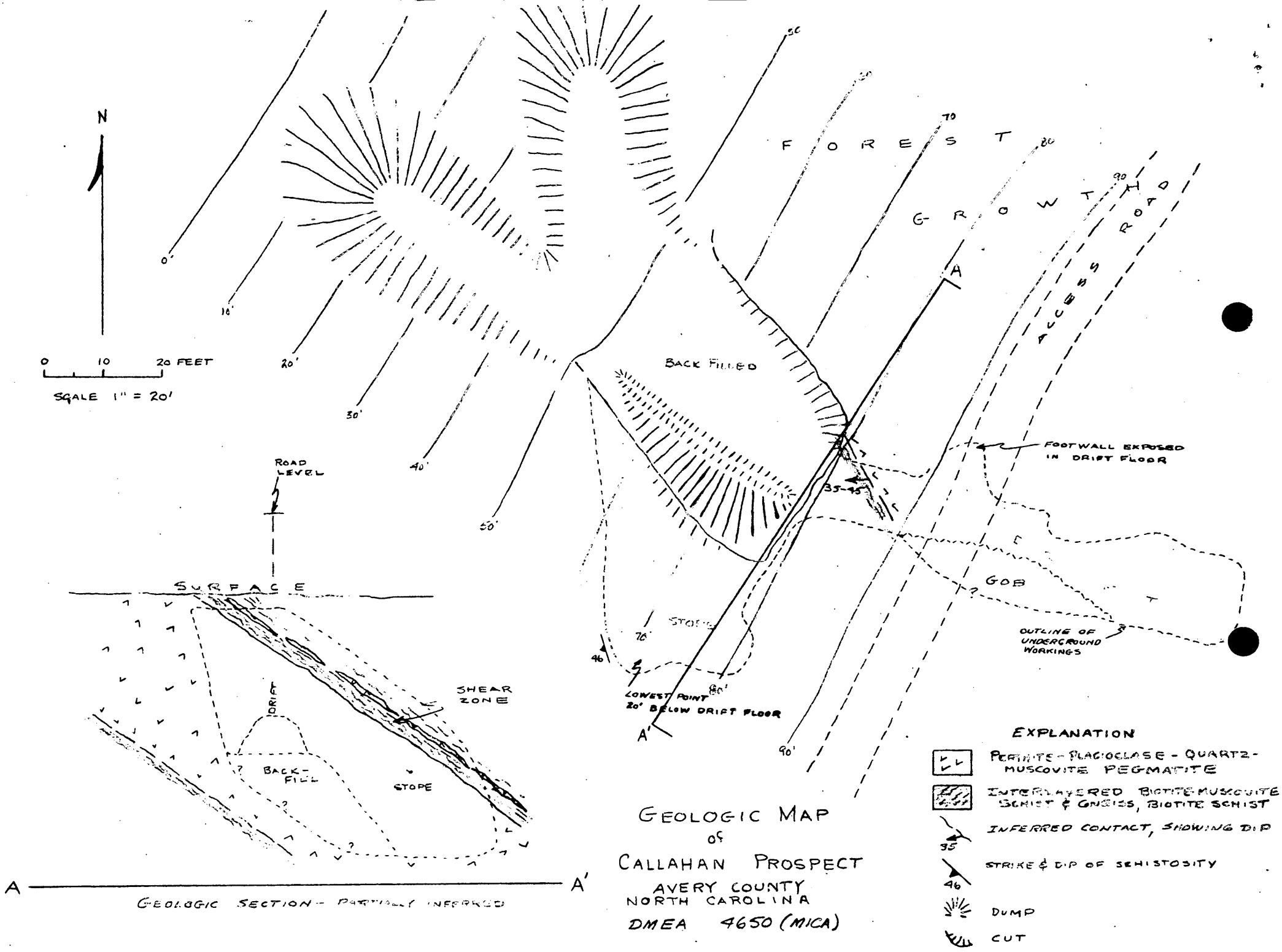
Your application for exploration assistance, dated February 19, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4650 and referred to the Non Metallics Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Code 600 ✓

6916



GEOLOGIC MAP OF CALLAHAN PROSPECT

AVERY COUNTY
NORTH CAROLINA

DMEA 4650 (MICA)

4/57
C2B

OFFICIAL FILE COPY
D M E A
RECEIVED APR 12 1957

DATE	INITIALS	CODE

Messenger Envelope

Form No. 65 (Rev. 1/46)

1. Use blocks consecutively, one at a time.
2. Void previous block.
3. Write clearly.

NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM		NAME OR TITLE OF PERSON, DEPARTMENT, ADDRESS, AND ROOM	
Dabney Int. Research	RUN / STOP	[illegible]	RUN / STOP
[illegible]	RUN / STOP	[illegible]	RUN / STOP
[illegible]	RUN / STOP	Mr. Kays 5217	RUN / STOP
[illegible] Bldg Rm 278	RUN / STOP	Mrs Mc Donald Rm 320 5	RUN / STOP
Rhoades [illegible]	RUN / STOP	Collette 5217	RUN / STOP
[illegible] 623	RUN / STOP	Mr. Bennett 1224	RUN / STOP
[illegible]	RUN / STOP	Mr. [illegible] Rm 1032 [illegible]	RUN / STOP
[illegible]	RUN / STOP	Mrs Romack Room 2240 GSA Bldg	RUN / STOP
[illegible]	RUN / STOP	Mr. George W. Greenwell Room 2626 - Interior	RUN / STOP
[illegible] 32 GSA	RUN / STOP	L. Hauk, DMEA Room 4451, Interior	RUN / STOP

Plus envelopes to room for reissue.

Use other side

Use RUN and STOP only when messenger service between Government buildings in Washington is required. Your mail room has RUN and STOP information.