DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

DMEA NO. 4689

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(Withdrawn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

OFFICIAL FILE COPY
D M E A
RECEIVED MAR 18 1957

DATE	INITIALS	CODE

Spruce Pine, North Carolina
March 15, 1957

Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division
U.S. Dept. of the Interior, D.M.E.A.
Washington 25, D.C.

Dear Mr. Houk:

I am making another application on the Hector McNeill Prospect, DMEA #4406, which was previously denied, because there was a mix up in the property line. I am aware of the fact that the Hector McNeill and the Old Hector Mine, DMEA #3216 are relatively close to each other. However the point at which work is proposed at the Hector McNeil is at least 300' from the property line of the other adjoining land owner. I am not sure that the above information was ever made clear to the Government when the first application was filed and I'm sure this was my fault.

Another reason,in my opinion, that this application should be reopened is the fact that the place at which we propose to do our work there is a very strong pegmatite, and the quality of the mica is excellent. Further more, the Old Hector property is being worked by another group of miners, and they are working within 20' of the property line and are recovering a very substantial amount of fine mica. The vein down on our leased area, which is called the Hector - McNeill is much better than that on the adjoining property, and that vein on the adjoining property is plunging onto our leased area.

I am enclosing for your information a map of the entire legal description of the property covering the Hector McNeill Mine which said legal description is tied down to the shaft on the Hector Property and also to the Treslle on the C.C. and O. Railroad at the mouth of Rebels Creek.

It would be greatly appreciated by me if you could see fit to use the Lease and Consent to Lien, which are now on file in your office under DMEA #4406.

Thanking you, I am

Yours very truly,

John Phillips

John Phillips

Enclosures

P/j

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED MAR 18 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. 4689
Metal or Mineral Mica
Date Received 3-18-57
Estimated Cost $6750.00
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: 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. Hector-McNeil 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 3-15-57, 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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MF-103 (Continuation Sheet)

4. (a) Some hand work was done at this mine about 1918. No records on production.

(b) No official records, but ruby mica was produced here.

(c) From apperance of pegmatite showing, expolration work would uncover good quality mica. Prospect is in good mica area.

(d) Project is accessible to roads and shipping.

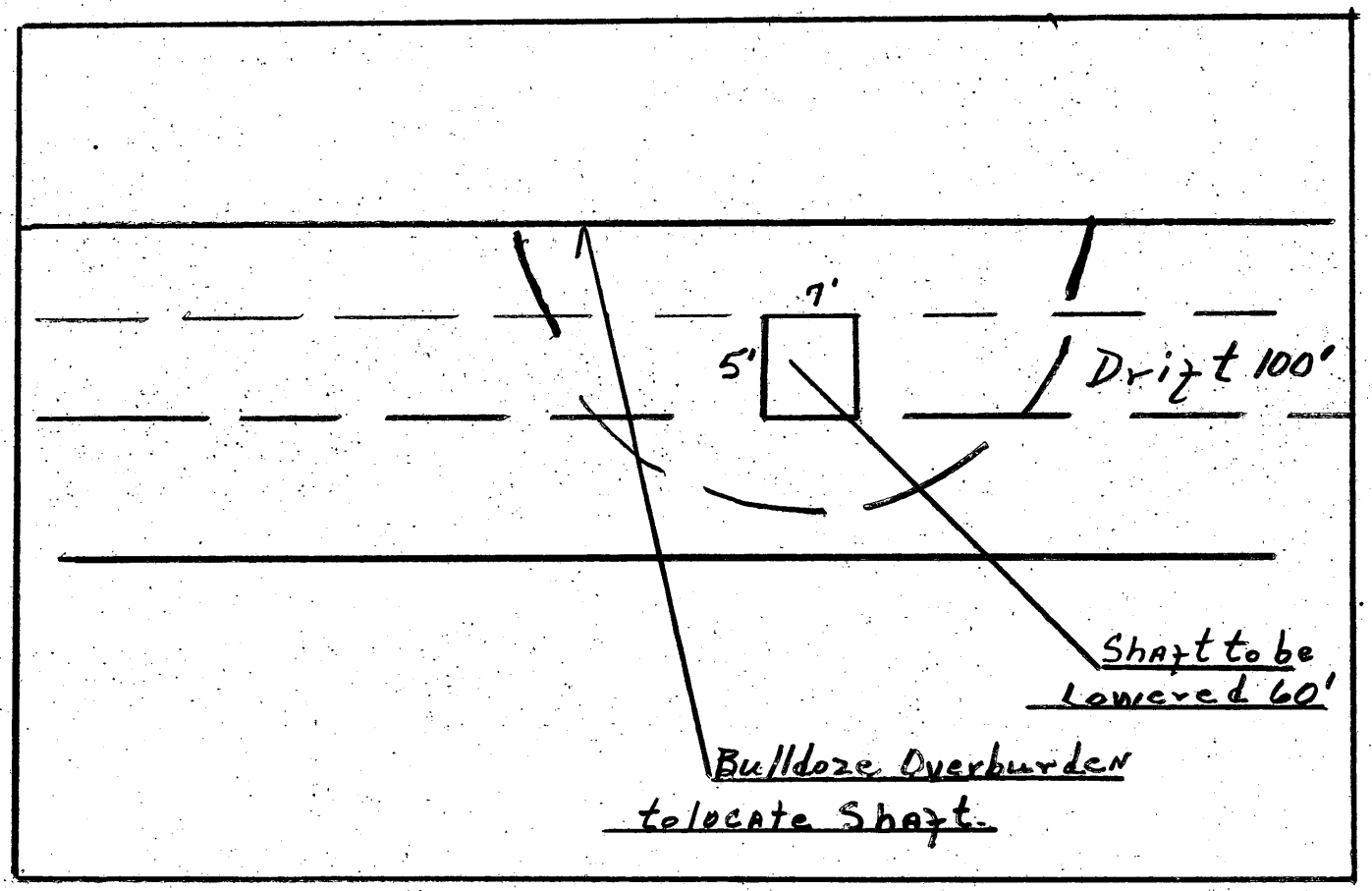
(e) Manpower, supplies and equipment readily available. Power is about 250 yards away.

5. (b) We propose to bulldoze away overburden around area where previous work was done in order to expose vein and best locate shaft, lower a 5'X 7' shaft 60 feet deep; then drift 100 feet with vein.

6. Estimate of costs:

25 Hours Bulldozing @ $10.00 per hour	$ 250.00
60' Shaft @ $50.00 per foot	3000.00
100' Drift @ $35.00 per foot	3500.00
Total estimated cost:	$ 6750.00

Hector-McNeill Prospect
Yancey County, N.C.



NORTH CAROLINA
BUNCOMBE COUNTY

THIS AGREEMENT made the 5th. day of July, 19 56, between the NORTH CAROLINA MICA 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

Spruce Pine, N.C.

of

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 Yancey, and bounded and more particularly described as follows:

Beginning on a small Service tree standingson the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Bobel's Creek where it empties into North Toe River, and runs north 68 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the Mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 85 degrees east 10 poles to the branch; thence north 85 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

TO HAVE AND TO HOLD the said premises for the purposes aforesaid only, unto the said Lessee for and during the term of one (1) year next ensuing from the 5th. day of July, 19 56.

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.

WESTERN CAROLINA MICA
~~LANDXANDXMINERALXCOMPANY~~
By: Arthur Buchanan Hoyt
~~PRESIDENT~~
AGENT

ATTEST:

_____
Secretary

✓ Margaret G. Penland (SEAL)
Attorney in fact for Devisees of E. C. Guy
_____ (SEAL)

NORTH CAROLINA
~~BUNCOMBE~~ COUNTY
MITCHELL

I, a Notary Public of said State and County, certify that _____ personally came before me this day and acknowledged that he is _____ Secretary of WESTERN CAROLINA MICA ~~LANDXANDXMINERALXCOMPANY~~ 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 _____ self as its _____ Secretary.

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

_____ NOTARY PUBLIC

My commission expires:

_____

NORTH CAROLINA
~~BUNCOMBE~~ COUNTY
~~MITCHELL~~ AVERY

I, Ellen G. Hise, a Notary Public of said State and County, do hereby certify that Margaret G. Penland personally appeared before me this day and acknowledged the due execution of the foregoing instrument. as attorney in fact for the devisees of E. C. Guy.

WITNESS my hand and Notarial Seal, this 26th day of July, 1956.

Ellen G. Hise NOTARY PUBLIC

My commission expires:
June 13, 1958

STATE OF NORTH CAROLINA
COUNTY OF ~~BUNCOMBE~~
YANCEY

~~LAND AND MINERAL COMPANY~~
WESTERN CAROLINA MICA

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

CONTROL FILE COPY
DO NOT REMOVE FROM FILE
CODE 13 1977

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

RECEIVED MAR 18 1957 D.M.E.A.

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of _____, State of _____, described as follows:1/ Kinney

North Carolina Beginning on a small Sarvice tree standing on the south bank of North Too River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into North Too River, and runs north 66 degrees west down and with the river 12 poles to a Maple and Spruce Pine on the bank of said river near the mouth of a small branch; thence south 35 degrees west 14 poles to a Chestnut; thence south 21 degrees east 30 poles to a Black Gum on a ridge; thence north 45 degrees east 20 poles to a Sourwood; thence south 65 degrees east 10 poles to the branch; thence north 45 degrees east 60 poles to the river; thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less.

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;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

None

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ 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.

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: This consent to lien shall not remain in force for more than a maximum of ten years.

Dated this 5th day of July, 1956.

WESTERN CAROLINA PICK COMPANY
BY J. Fuller Brown Pres. [Seal]

Margaret G. Penland [Seal]
Agent and attorney in fact for E. C. Guy heirs

[Seal]

I, _____ certify that I am the _____ J. L. WRIGHT (Secretary, etc.) of the corporation named herein; that _____ Asst. Secy. 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. Fuller Brown

J. L. Wheeler
[Corporate Seal]

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

EXTRA COPY DMEA RECEIVED APR 22 1957		
DATE	INITIALS	CODE

April 18, 1957

Memorandum

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

From: DMEA Executive Officer, Region V - Knoxville, Tennessee

Subject: Docket No. DMEA-4689 (Mica) (Denied Docket No. DMEA-4406)
John Phillips, Hester-McNeil Prospect, Yancey County,
North Carolina.

Reference is made to your letter of March 25, 1957, on the subject Dockets. Transmitted herewith are the original and three copies of the semi-annual report on the Certified Project DMEA-3216, Idm-E665, Hester Mine, with a sketch of the present workings. This sketch shows the location of the east property line and the distance and bearing of the Hester Shaft to the Chestnut corner shown on the Hester-McNeil map. This tie-in was obtained by John Phillips and his surveyor, Ross Thompson, when Mr. Beck was on the property.

While in the area, Mr. Beck went to the Yancey County Court House and checked the description of the Hester McNeil Property in Deed Book 16, page 206. He found that it was in the name of Western Carolina Mica Company under date of January 16, 1891, and is as follows:

"Beginning on a small service tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into the North Toe River and runs North 68° West down and with the river 12 poles to a maple and spruce pine on the bank of said river near the mouth of a small branch, thence South 35° West 14 poles to a chestnut, thence South 21° East 30 poles to a black gum on a ridge, thence North 45° East 20 poles to a sourwood, thence South 85° East 10 poles to the branch, thence North 45° East 60 poles to the river, thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less."

It is impossible to locate exactly the east line of the leased area of the DMEA contract because of the indefiniteness of the beginning point in that lease.

Robert A. Laurence

WAB/as
cc
Opr. Com. 3
Lynch
Shirley
Files

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

EXTRA COPY
D M E A
RECEIVED APR 22 1957

DATE	INITIALS	CODE

April 18, 1957

Memorandum

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

From: DMEA Executive Officer, Region V - Knoxville, Tennessee

Subject: Docket No. DMEA-4689 (Mica) (Denied Docket No. DMEA-4406)
John Phillips, Hector-McNeil Prospect, Yancey County,
North Carolina.

Reference is made to your letter of March 25, 1957, on the subject Dockets. Transmitted herewith are the original and three copies of the semi-annual report on the Certified Project DMEA-3216, Idm-R665, Hector Mine, with a sketch of the present workings. This sketch shows the location of the east property line and the distance and bearing of the Hector Shaft to the Chestnut corner shown on the Hector-McNeil map. This tie-in was obtained by John Phillips and his surveyor, Ross Thompson, when Mr. Beck was on the property.

While in the area, Mr. Beck went to the Yancey County Court House and checked the description of the Hector McNeil Property in Deed Book 16, page 206. He found that it was in the name of Western Carolina Mica Company under date of January 16, 1891, and is as follows:

"Beginning on a small service tree standing on the south bank of North Toe River near the mouth of the open cut and nearly opposite the mouth of Rebel's Creek where it empties into the North Toe River and runs North 68° West down and with the river 12 poles to a maple and spruce pine on the bank of said river near the mouth of a small branch, thence South 35° West 14 poles to a chestnut, thence South 21° East 30 poles to a black gum on a ridge, thence North 45° East 20 poles to a sourwood, thence South 85° East 10 poles to the branch, thence North 45° East 60 poles to the river, thence down and with the meanders of the river 50 poles to the beginning, containing 10 acres more or less."

It is impossible to locate exactly the east line of the leased area of the DMEA contract because of the indefiniteness of the beginning point in that lease.

Robert A. Laurence

WAB/as
cc
Opr. Com. 3
Lynch
Shirley
Files

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/24	Houk	600
4/26	Selfridge	130
4/25	Johnson	110
		~~1000~~
4/29	Todd	220
		225

600

APR 26 1957

Mr. John Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4689-Mica
John Phillips
Hector-McNeil Prospect
Yancey County, North Carolina

Williams
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 geologic 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,

Frank E. Johnson (for)

ACTING Administrator

LGHouk:gad 4/24/57
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

Memorandum April 24, 1957

To: Mr. C. O. Mittendorf, Administrator

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

Subject: Evaluation of application and field report.
Docket No. DMEA-4689-Mica
(Denied Docket No. DMEA-4406)
John Phillips
Hector-McNeil Prospect
Yancey County, North Carolina

Denial of application is recommended.

Mica: The mica is green, generally of good quality and some is mineral stained.

Pegmatite: The field examination report, DMEA-4406, states that a thick pegmatite 10' to 12' conformable to the enclosing mica schist was exposed in a cut 200 feet long by 15 to 30 feet wide and 10 to 40 feet deep. Abundant quartz in the dumps suggest a quartz core, which is reported to be five feet thick.

Workings: The applicant states that some hand work was done at this mine about 1918.

Past production: The application states that there are no records on production.

Applicant's proposal:

25 Hours Bulldozing @ $10.00/hr.	$250.00
Sink 60' Shaft @ $50.00/ft.	3,000.00
Drift 100' @ $35.00/ft.	3,500.00
Total estimated cost	$6,750.00

Comments: The examiners and the Field Team state that the pegmatite is a good exploration target but because of the indefinite boundaries of the leased areas, and proximity to certified area of DMEA-3216 they recommend denial.

Recommendation: The Field Team recommends denial of the application without a field re-examination as this application is a duplicate of DMEA-4406 which was denied November 9, 1956. The applicant has done no additional work. The Nonmetallic Minerals Division and the Geological Survey agree with the Field Team's recommendation. The Bureau of Mines recommend a field examination and state that there is no data available in their office on this property.

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

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DMEA
RECEIVED APR 22 1957

DATE	INITIALS	CODE
4/22	C	220
4-23	H	600

April 18, 1957

Memorandum

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

From: DMEA Executive Officer, Region V - Knoxville, Tennessee

Subject: Docket No. DMEA-4689 (Mica) (Denied Docket No. DMEA-4406) John Phillips, Hector-McNeil Prospect, Yancey County, North Carolina.

Reference is made to your letter of March 25, 1957, on the subject Dockets. Transmitted herewith are the original and three copies of the semi-annual report on the Certified Project DMEA-3216, Idm-E665, Hector Mine, with a sketch of the present workings. This sketch shows the location of the east property line and the distance and bearing of the Hector Shaft to the Chestnut corner shown on the Hector-McNeil map. This tie-in was obtained by John Phillips and his surveyor, Ross Thompson, when Mr. Beck was on the property.

While in the area, Mr. Beck went to the Yancey County Court House and checked the description of the Hector McNeil Property in Deed Book 16, page 206. He found that it was in the name of Western Carolina Mica Company under date of January 16, 1891, and is as follows:

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It is impossible to locate exactly the east line of the leased area of the DMEA contract because of the indefiniteness of the beginning point in that lease.

Robert A. Laurence

Robert A. Laurence

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

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DMEA
RECEIVED MAR 29 1957

DATE	INITIALS	CODE
4/1	C	220
4/1	H	600

March 28, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4689 (Mica) John Phillips, Spruce Pine, N. C.
Hector-McNeil Prospect, Yancey Co., N. C.

Reference is made to your letter of March 25.

Last fall Mr. John Phillips, at our request, submitted a tie-in from the Hector Mine shaft to two other corners of the Hector-McNeil tract. This was sent to you on October 10. We doubt very much that the data on that map are correct, and it will be noted that although the long boundary parallel to the river fails to close by nearly 200 feet, it is drawn as though it did close. We doubt that Mr. Phillips can provide any better tie to the black gum and chestnut corners than he did to the other corners, but we will ask him to do so.

As we have received royalty payments on mica from the Hector Mine during the past few months, it is apparent that this mine, inactive at the time of the September 1956 examination of DMEA-4406, may again be active. Mr. Beck is planning to make the semi-annual inspection of certified projects in that area during the week of April 8, and we will ask him to provide the information requested in your letter of March 25, so far as it is possible to do so.

We still think that the appropriate action for this is denial without a field examination, as the new application is an exact duplicate of the one which was denied and does not contain one shred of new information.

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON, D.C.~~
ROOM 131 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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

March 28, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4689 (Mica) John Phillips, Spruce Pine, N. C.
Hector-McNeil Prospect, Yancey Co., N. C.

Reference is made to your letter of March 25.

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We still think that the appropriate action for this is denial without a field examination, as the new application is an exact duplicate of the one which was denied and does not contain one shred of new information.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch, Member
Bureau of Mines

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

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

March 25, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 27 1957

DATE	INITIALS	CODE
3/27	C	220
		130
		220

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4689 (Mica) John Phillips, Spruce Pine, N. C.
Hector-McNeil Prospect, Yancey Co., N. C.

Reference is made to the subject application received here today.

Comparison with the same Applicant's earlier application, DMEA-4406, shows that this one is an exact duplicate of the earlier one. As no new evidence is submitted, we can only recommend denial, as we did on October 10, 1956.

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

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

RAL/as
cc
Opr. Com. 3
Lynch
Shirley
Files

Copy sent to USBM + USGS on 3/27/57. This report does not clear Committee.
JS 3/28/57

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 28 1957

DATE	INITIALS	CODE
3/28	C	220
/		600

March 26, 1957

Mr. John Phillips
Spruce Pine, N. C.

Re: DMEA 4689 (Mica)
Hector-McNeil Prospect
Yancey County, N. C.

Dear Mr. Phillips:

Our Washington office has forwarded to me a copy of your new application on the Hector-McNeil Prospect.

I have compared this with your earlier application, DMEA-4406 which was submitted in August 1956, and it is obvious that the new application is an exact duplicate of the earlier one. Nothing new has been added.

If you will reread Mr. Mittendorf's letter of November 9, 1956, you will see that it was decided, after careful study, that the probability of disclosing significant reserves of mica is not sufficiently promising to justify Government participation. I see nothing in the new application to change this decision.

When an application has been denied after a field examination, a new application on the same deposit should not be submitted unless there is new evidence resulting either from more physical work at the site or a restudy of the geological conditions resulting in a revised interpretation of the geology.

If you have any such evidence, please submit it. A geologic map and report would be most helpful.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/as
cc
Opr. Com. 3
Lynch
Shirley
Files

IN REPLY REFER TO:

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

OFFICIAL FILE COPY
DMEA
RECEIVED
MAR 25 1957

DATE	CO	
3/25	C	220
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March 22, 1957
Re: DMEA 4689
John Phillips
Hector McNeill Prospect
Yancey County, N. C.
$6,750 - Mica

Memorandum

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

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

Subject: Review of application

An identical application was filed by the applicant August 3, 1956. The map has been changed very slightly.

The examiners and the Field Team agreed that the pegmatite affords a good exploration target but could not see that additional Government aid is needed to explore the same pegmatite so close to a certified project and recommended denial of the application.

Unless conditions have changed materially, the same recommendation should apply now. Denial is again recommended.

N. E. Nelson

N. E. Nelson

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

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DMEA
RECEIVED MAR 22 1957

DATE	INITIALS	CODE
3/23	C	220
3/26	gwa	600
March 22, 1957		

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA - 4689 (mica)

Applicant: John Phillips

Name and Location of Property: Hector-Mc Neil Prospect
Yancey County, N. C.

Date Application Rec'd. by Br. of Ceramic and Fertilizer Materials: 3/21/57

Comments:

1. Applicant states that some work was done on this prospect in 1918 and that some ruby mica was produced, and no data available in this office on this property.

2. Applicant believes exploration will uncover good quality mica from an exposed pegmatite.

3. Prospect is in a good mica-producing area.

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.

W. F. Dietrich

W. F. Dietrich

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/22	Houk	600
3/22	Selfridge	130
"	Orlman	110
25	Wednesday	100
3/25	C	220
		600

600

MAR 25 1957

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

Re: Docket No. DMEA-4689-Mica
(Denied Docket No. DMEA-4406)
John Phillips
Hector-McNeil Prospect
Yancey County, North Carolina

Dear Mr. Laurence:

The subject application, denied under DMEA-4406, is being referred to you for re-appraisal. The previous denial was based upon the probability of making a significant discovery.

When the semi-annual inspection is made at the Hector Mine, DMEA-3216, Idm-E665, please have the engineers prepare a sketch of the work accomplished, give an estimate of the cubic yardage moved, mica on hand, and distance to the east boundary of the contract area. No semi-annual reports have been received to date.

Mr. John Phillips should be requested to supply a tie from the Hector Mine shaft to the black gum or chestnut. The Field Team Report on DMEA-4406 did not give a tie from the proposed shaft to the nearest corner. When the property is visited this tie should be made.

If a contract is recommended perhaps a revision of the costs might be in order. The Hector Mine was given $45.00 per foot of shaft, and the Field Team recommended $51.43 in this case. The Hector Mine made five feet per day in the shaft and required no blasting.

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

LGHouk:gad 3/21/57

Copy to: Admr. R. File
Mr. Houk
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061

8623

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

March 21, 1957

Mr. John Phillips
Spruce Pine, North Carolina

Subject: DMEA-4689
Re: Exploration Assistance

Dear Mr. Phillips:

Your application for exploration assistance, dated March 15, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4689 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, Chief
Operations Control and
Statistics Division

Copy to: Region V

3571