DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4938

Application
- [x] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

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

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

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 FEB 10 1958 D.M.E.A.

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows: 2/
Begining on a stake the same being a common corner between R.B. Phillips, Everett Phillips, and Bud Conley, and running thence with Everett Phillips line South 5° 30 min. East 219' to a locust, thence South 24° 30 min. West 357.4" to a apple tree, thence South 13° West 132' to a stake, thence South 2° 30 min. East 173.3' to a large oak Thence North 83° 35 min. West 255.5' to a hickory, thence North 6° 45 min. East 47' to a stake, thence North 53° 30 min. West 316' to a stake, thence North 19° East 500' to a stake in R.B. Phillips line, thence with R.B. Phillips line North 78° 15 min. East 500' to a stake to the point of begining. Containing approximately 9 acres. The begining corner of this legal description is located North 14° East 215' from shaft #3 of the R.B. Phillips Mine. Recorded in Reg. of Deeds Office in Mitchell Co. Book 98 Page 16.

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.____")

Dated this 24 day of Jan, 1958.

John Conley [Seal] Rt. 3, Bakersville, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
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Operator_____
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Contract No. Idm-E_____
Contract Date_____

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and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mitchell, State North Carolina, described as follows: 2/
Beginning on a stake the same being a common corner between R.D. Phillips, Everett Phillips, and Earl Conley, and running thence with Everett Phillips line South 5° 30 min. East 219' to a locust, thence South 24° 30 min. West 357.4' to a apple tree, thence South 13° West 132' to a stake, thence South 2° 30 min. West 173.3' to a large oak, Thence North 83° 35 min. West 255.5' to a hickory, thence North 60 45 min. West 47' to a stake, thence North 53° 30 min. West 316' to a stake, thence North 19° West 500' to a stake in R.D. Phillips line, thence with R.D. Phillips line North 70° 15 min. West 500' to a stake to the point of beginning. Containing approximately 9 acres. The beginning corner of this legal description is located North 14° West 215' from chest 63 of the R.D. Phillips Mine. Recorded in Reg. of Deeds Office in Mitchell Co. Book 98, Page 46.

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;

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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 24 day of Jan, 1958.

John Worley [Seal] Rt. 3, Bakersville, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

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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 24 day of Jan, 1958.

John Conley	[Seal]	Rt. 3, Bakersville, N.C.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

_____

[Corporate Seal]

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

Dated this 24 day of Jan, 1958.

John Cosley [Seal] Rt. 3, Bakersville, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

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[Corporate Seal]

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EXPLORATION PROJECT CONTRACT
Operator_____
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Contract Date_____

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CONSENT TO LIEN
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SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Begining on a 12" locust the same being a corner between R.B. Phillips and Everett Phillips, and running thence with R.B. Phillips line South 42° East 594' to a stake near a spring, thence South 68° West 600' to a apple tree a corner between Everett Phillips and Bill Conley, thence running with Bill Conley's line North 24° 30 min. East 357.4' to a locust, thence North 5° 30 min West 219' to a stake, thence North 11° East 131' to a 12" locust to the point of begining. Containing approximately 3½ acres. The begining corner of this legal description is located North 12° East 84' from the R.B. Phillips Mine Shaft #3. as recorded in Book #58 at page #105 in Mitchell Co.

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;

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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 24 day of Jan., 1958.

Everett L. Kelly [Seal] Rt. 3, Bakersville, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

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To the United States of America:

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

Begining on a 12" locust the same being a corner between R.D. Phillips and Everett Phillips, and running thence with R.D. Phillips line South 42° East 594' to a stake near a spring, thence South 68° West 600' to a apple tree a corner between Everett Phillips and Bill Conley, thence running with Bill Conley's line North 24° 30 min. East 357.4' to a locust, thence North 5° 30 min West 219' to a stake, thence North 11° East 131' to a 12" locust to the point of begining. Containing approximately 3½ acres. The begining corner of this legal description is located North 12° East 84' from the R.D. Phillips line Shaft #3. as recorded in Book #58 at page #103 in Mitchell Co.

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;

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

Dated this 24 day of Jan., 1958.

+ Everett L Pheltz	[Seal]	Rt. 2, Bakersville, N.C.	[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]
	[Seal]		[Address]

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

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Operator _____
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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.____")

Dated this 24 day of Jan., 1958.

X Everett L. Phillips [Seal] Rt. 3, Bakersville, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

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 FEB 10 1958 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 Mitchell, State of North Carolina, described as follows: 2/

~~Beginning on a 12" locust the corner between R.B. Phillips and Everett Phillips, and running thence with R.B. Phillips line South 42° East 574' to a stake near a spring, thence South 68° West 600' to a apple tree a corner between Everett Phillips and Bill Conley, thence running with Bill Conley's line North 24° 30 min. East 357.4' to a locust, thence North 5° 30 min West 219' to a stake, thence North 11° East 131' to a 12" locust to the point of beginning. Containing approximately 3½ acres. The beginning corner of this legal description is located North 12° East 34' from a R.B. Phillips line Chart 63.~~ as recorded in Book #51, at page #103 in Mitchell Co.

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.____")

Dated this 24 day of Jan, 1958.

X Everett W Phillips [Seal] Rt. 3, Bakersville N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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

_____

[Corporate Seal]

DMEA
RECEIVED FEB 10 1958
DATE | INITIALS | CODE

Spruce Pine, North Carolina
February 6, 1958

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:

Enclosed you will find an application on the R.B. Phillips #2, Project.

From the point at which the drift is to begin the operators and the land-lords will subornate that part of the property to the Government for the repayment of the exploration loan, if it meets with your approval.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

Enclosures
P/bjg

Form MF–103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42–R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

Sam L. Phillips
Spruce Pine, N.C.

FEB 10 '58

APPLICANT NOT TO USE THIS BLOCK

Docket Number	4939
Date Received	2/10/58
Government Participation %	
Region	V
Division Code	600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [x]
- Other (Specify) [ ]

State in which firm is organized: N.C.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Zeb Buchanan,	Bakersville, N.C.	Partner
Edgar Buchanan	" "	"
John Phillips,	Spruce Pine, N.C.	"
Sam L. Phillips,	" "	"

Mineral(s) for which you wish to explore: Mica

Estimated Cost of Project: $ 4,770.00

LOCATION OF PROPERTY

Name	County	State
Snow Creek Township R.B. Phillips #2	Mitchell	N.C.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

1-24-58
Dated

Sam L. Phillips
BY *(Signature)*

Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

DMEA
RECEIVED FEB 10 1960
DATE

MF-103 (Continuation Sheet)

1. (a) Description on Leases.

   (b) Prospect will be known as the - R.B. Phillips #2 Project.

   (c) Lessee

   (d) No lien.

2. (a) thru (f) See attached sheet.

3. (a) and (b) See attached sheet.

4. (a) From the bottom of our present workings, we propose to drive a drift to the southwest a distance of 150', in new and unexplored ground.

   (b) No road to be built.

   (c) Work can begin within 15 days after contract is received, and project can be completed within six months.

5. Now on file with D.M.E.A.

6. Estimated Cost of Project:

   150' Drift @ $37.50 per foot - - - - - - - - - - - $5,625.00

   Total Estimated cost of project: $5,625.00

7. (a) Will share cost of proposed project.

   (b) Money and equipment.

RECEIVED
DATE

R.B. PHILLIPS MICA MINE

MITCHELL COUNTY, NORTH CAROLINA

The R.B. Phillips Mine, in Snow Creek Township, Mitchell County, North Carolina has been one of the leading producers of strategic mica in the United States since it was first opened in late 1954. Although considerable pegmatite is blocked out, to drive a drift to more clearly outline the limits of the deposit both on strike and dip is most desireable.

To date the deposit has been developed by three shafts; southwest shaft is 60 feet deep, middle shaft is 115 feet deep, and the northeast shaft is 90 feet deep. these are connected by stopes. The deposit has been worked on strike slightly more than 140 feet and down dip to the 115 foot level. The middle shaft has been extended to a total depth of 140 feet, but the deepest 25 feet is on a very thin pegmatite and is not accessible at present.

As exposed in openings developed to date, there is evidense that the pegmatite rakes at a low angle to the southwest. From the bottom of our present workings, we wish to drive a drift to the southwest a distance of 150' in new and unexplored ground.

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 24 day of January, 1958, 195

between John Conley

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Sam and John Phillips, Edgar and Zeb Buchanan

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:

Begining on a stake the same being a common corner between R.B. Phillips, Everett Phillips, and Bud Conley, and running thence with Everett Phillips line South 5° 30 min. East 219' to a locust, thence South 24° 30 min. West 357.4" to a apple tree, thence South 13° West 132' to a stake, thence South 2° 30 min. East 173.3' to a large oak, thence North 83° 35 min. West 255.5' to a hickory, thence North 6° 45 min. East 47' to a stake, thence North 53° 30 min. West 316' to a stake, thence North 19° East 500' to a stake in R.B. Phillips line, thence with R.B. Phillips line North 78° 15 min. East 500' to a stake to the point of begining. Containing approximately 9 acres. The begining corner of this legal description is located North 14° East 215' from shaft #3 of the R.B. Phillips Mine. Recorded in Reg. of Deeds Office in Mitchell Co., Book 98, Page 16.

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 _____, 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: Kenneth R. McKinney
Notary Public
Mitchell Co. E.P. 8/28/59

John Conley (Seal)

_____ (Seal)

_____ (Seal)

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 24 day of January, 1958, 195__

between Everett Phillips

of Mitchell County and State of North Carolina as party of the first part, and known as lessor__, and John & Sam Phillips, Edgar and Zeb Buchanan

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:

Begining on a 12" locust the same being a corner between R.B. Phillips and Everett Phillips, and running thence with R.B. Phillips line South 42° East 594' to a stake near a spring, thence South 68° West 600' to a apple tree a corner between Everett Phillips and Bill Conley, thence running with Bill Conley's line North 24° 30 min. East 357.4' to a locust, thence North 5° 30 min West 219' to a stake, thence North 11° East 131' to a 12" locust to the point of begining. Containing approximately 3½ acres. The begining corner of this legal description is located North 12° East 84' from the R. B. Phillips Mine Shaft #3, as recorded in book #58, at page # 103, in Mitchell Co.

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 _____, 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.

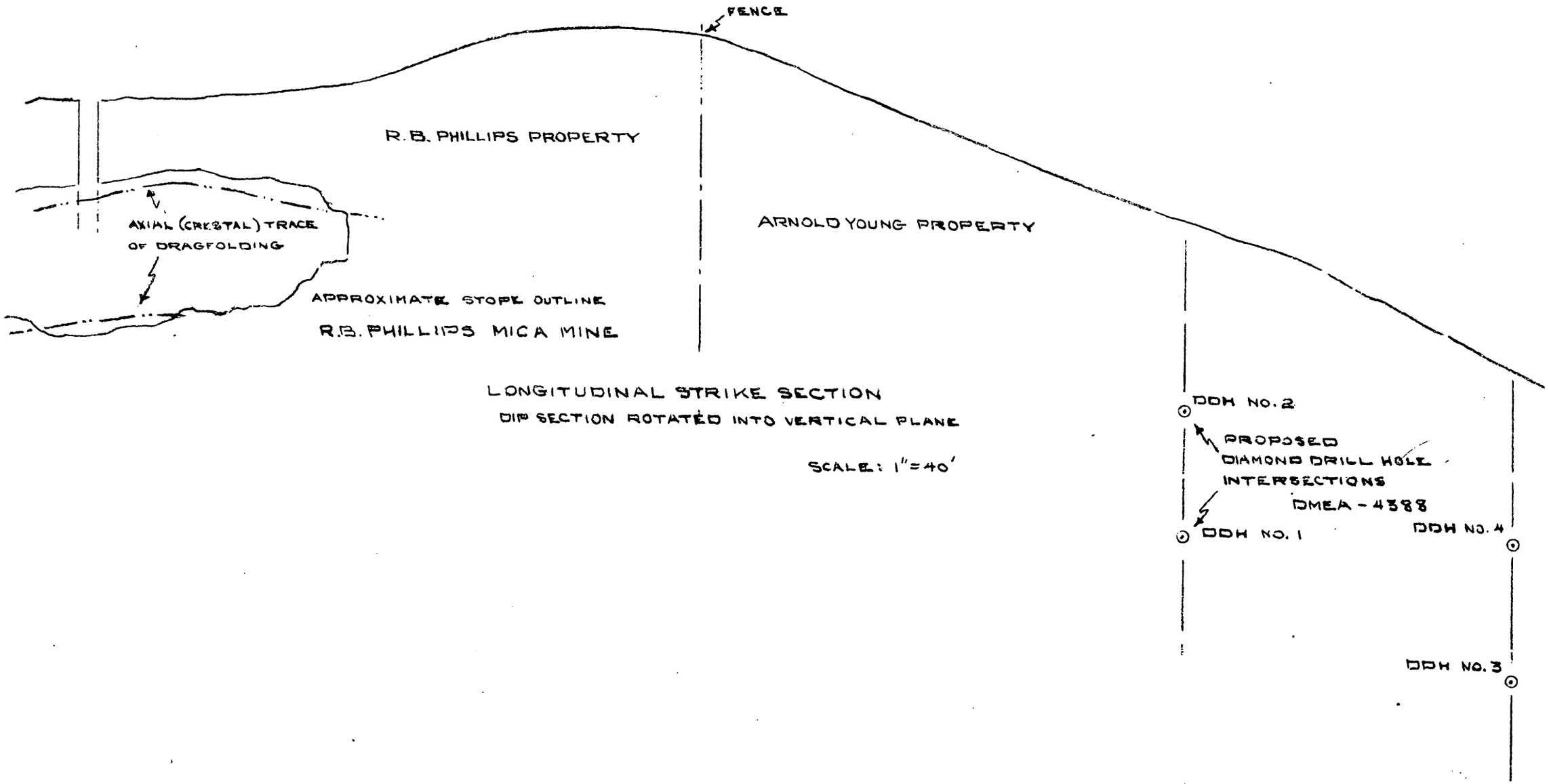
Witness:

Kenneth E. McKinney
Notary Public
My com. Exp 8/24/59

X Everett L. Phillips (Seal)

_____ (Seal)

_____ (Seal)


FENCE
R.B. PHILLIPS PROPERTY
AXIAL (CRESTAL) TRACE
OF DRAGFOLDING
ARNOLD YOUNG PROPERTY
APPROXIMATE STOPE OUTLINE
R.B. PHILLIPS MICA MINE
LONGITUDINAL STRIKE SECTION
DIP SECTION ROTATED INTO VERTICAL PLANE
SCALE: 1"=40'
DDH NO. 2
PROPOSED
DIAMOND DRILL HOLE
INTERSECTIONS
DMEA - 4388
DDH NO. 1
DDH NO. 4
DDH NO. 3

MAP NO. 3

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Anderson	600
7/22	Houk	600
	Martin	130
	Yopp	130
	Nelson	130
7/23	Johnson	110
23	Mittendorf	100
		220

600

JUL 23 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4939-Mica
Sam L. Phillips, et al.
R. R. Phillips #2
Mitchell County, North Carolina

Dear Mr. Phillips:

We regret that we were unable to completely process your application for exploration aid prior to June 30, 1958, the termination date for approving new contracts, as announced by the enclosed copy of a news release of June 6, 1958.

However, had the processing been completed, we would have been unable to approve a project based upon the information available to us in Washington concerning your property.

We wish to thank you for your interest in the DMEA program and for bringing the exploration plan to our attention.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

WCAnderson:rsi 7/21/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/22	Anderson	600
7/29	Blank	600
		110
		100
		220

600

July 22, 1958

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: L. G. Houk, Director, Division of Nonmetallic Minerals

Subject: Evaluation of application and field examination report.
Docket No. DMEA-4939-Mica
Sam L. Phillips, et al.
R. B. Phillips #2 Mine
Mitchell County, North Carolina

Denial of application is recommended.

Mica: Green and occurs in books up to 12 inches. In southwest stope, from where proposed exploration will begin, much of the mica exposed in the face is bent, "A", and ruled.

Pegmatite: Concordant, tabular body, ranging in the southwest stope from 1 to 4 feet in thickness. Appears to be pinching out at this point. Three types of roll structures are present. Pegmatite composed of coarse-grained plagioclase, quartz, perthite, and muscovite with fine-grained accessory garnet. Low plunging drag folds, where mica is concentrated to the northeast, plunge 10 degrees to 20 degrees from the southwest stope face, from where the proposed drifting will start.

Workings: Under DMEA-3422, the Operators sank 40 feet of incline and drove 60 feet of drifts. This was from October 25, 1954 to April 29, 1955, during which time over $37,000 worth of mica was produced. Since then they sank two other shafts, one to the northeast and one to the southwest. As a result of the work under DMEA-3422 (project certified), a large ore body was proved. Total production through December 1957 amounted to 660,705 pounds of mica worth $627,947. At present, work is being done to the northeast, while the southwest stope is flooding.

Applicant's Proposal:
From the bottom and the face of the southwest stope, drive a drift to the southwest for a distance of 150 feet, at an estimated cost of $37.50 per foot, or a total of $5,625.

8623

Comments:

1. By the Field Team - "Because the pegmatite exposed in the southwest face contains mica and the structures mined previously are apparently continuous, any level work done to the southwest would be development or mining, and not exploration."

2. By Bureau of Mines Commodity Specialist - "The proposed exploration would be development or mining and not exploration."

3. By the U.S. Geological Survey Commodity Specialist - "The proposed drifting is essentially development."

4. By the Division of Nonmetallic Minerals - This is a case of development if there ever was one. By no stretch of the imagination can this be called exploration.

Recommendations: The Division of Nonmetallic Minerals and the Commodity Members of the Bureau of Mines and Geological Survey concur in the Field Team's recommendation to deny this application, for the reason that the proposed work is development or mining.

Walter C. Anderson

Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi
7/22/58
Copy to: Admr. R. File
Mr. Houk

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 18 1958

DATE	INITIALS	CODE
7/18	C	220
7/18	Houk	600

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

July 17, 1958
Re: DMEA 4939
Sam L. Phillips et al
R. B. Phillips Mine #2
Mitchell County, N. C.
$5,625.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Report

The applicants requested assistance in driving a drift to more clearly delimit the mica-rich R. B. Phillips pegmatite, which in the deepest shaft and most southwesterly stope and shaft appears to be narrowing. The proposed work was to be done southwesterly from the southwest shaft.

The examiners inspected the southwest shaft and stope and found the pegmatite to be narrower and the mica to be of poorer quality than in the workings to the northeast. The same or similar rolls are present and the general structure gives evidence of being continuous to and beyond the southwest shaft. Such being the case, the proposed drifting is essentially development and the examiners recommend that the application be denied.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

ORIGINAL FILE COPY
DMEA
RECEIVED JUL 15 1958
INITIALS CODE
C 600

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

July 14, 1958

Memorandum

To: Nonmetallic Minerals Division
~~Defense Minerals~~ Exploration Administration

From: Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA - 4939 (mica)

Applicant: Sam L. Phillips, et al.

Name and Location of Property: R. B. Phillips Mine No. 2
Mitchell County, North Carolina

Date of Field Team Report: July 9, 1958

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: July 14, 1958

Field Team Recommendation: Recommend denial of application

Comments:

1. This mine was explored under DMEA 3422 with subsequent development and mining.

2. A total of 660,705 pounds of mine-run mica worth $627,947 were produced from 1954 to 1957.

3. Proposed exploration is on 3 continuous structures mined previously.

4. The proposed exploration would be development or mining and not exploration.

Recommendation:

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

Donald R. Irving

Donald R. Irving

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

July 9, 1958

ORIGINAL FILE COPY
DMEA
RECEIVED JUL 11 1958

DATE	INITIALS	CODE
7/11	C	220
7/14	HB	130
7/14	C	220
7/15	Hunt	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Examination Report - DMEA-4939 (mica)
Sam L. Phillips, et al. Spruce Pine, N. C.
R. B. Phillips Mine #2. Mitchell County, N.C.

Transmitted are the original and two copies of the subject field examination report with two copies of the maps attached.

The Field Team is in agreement with the Field Examiners in their recommendation for denial of this application.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA - Reg. V

Wm. A. Beck
Wm. A. Beck, for V. J. Lynch
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
7-14-58
(date)

On-Site Exam. Rpt.

ORIGINAL FILE COPY
DMEA
RECEIVED JUL 11 1958

DATE	INITIALS	CODE
7/14	2/B	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT

ON

DMEA-4939 (mica) R. B. PHILLIPS # 2
Mitchell County, N. C.

By

F. G. Lesure, Geologist
Geological Survey

S. A. Feitler, Mining Engineer
Bureau of Mines

July 8, 1958

Reviewed by
DMEA OPERATING COMMITTEE
7-14-58
(date)

FIELD EXAMINATION REPORT

ON

DMEA-4939 (mica) R. B. PHILLIPS # 2
Mitchell County, N. C.

Applicant: Sam L. Phillips, et al. Spruce Pine, North Carolina

SUMMARY

Following exploration under DMEA-3422 the Applicants mined 660,705 pounds of mine-run mica from the R. B. Phillips mine through December 1957. Stoping has been done from three shafts. The structures followed in the northeastern shafts are present in the southwestern shaft where the proposed exploration work would be done. Because the pegmatite exposed in the southwest face contains mica and the structures mined previously are apparently continuous, any level work done to the southwest would be development or mining, and not exploration. We recommend that exploration assistance be denied.

INTRODUCTION

Location: The R. B. Phillips mine is on the steep southeast slope of the middle part of Burns Mountain , one mile N50°W of Oak Grove Church, Mitchell County, North Carolina (Micaville, N.C. Quad. TVA 1:24,000). The mine can be reached by 4-wheel drive vehicles on a steep mine road starting at the R. B. Phillips farm.

Examination: An examination of the R. B. Phillips mine lasting one hour was made March 18, 1958. Mr. S. L. Phillips accompanied the Examiners. At this time the Applicants were requested to put a ladder in the southwest shaft so that the examination of the mine workings could be made. On April 2, 1958, a second examination was made and the stope worked from the southwest shaft was mapped. No one accompanied the Examiners although Edgar Buchanan, mine foreman, was on the property working in the northeastern part of

the mine.

History: Prior to the DMEA-3422 exploration in 1954 only a limited amount of work had been done at the R. B. Phillips Mine. As a result of the shaft and level work done under DMEA-3422 a large ore body was proved and a total of 660,705 pounds of mica worth $627,947 has been produced through December 1957. Mining has been continuous since the DMEA work. The Operators have sunk two additional shafts, one to the northeast and one to the southwest of the original DMEA shaft. These shafts are untimbered and neither had ladders until the ladder was placed in the southwest shaft at the request of the Examiners. This ladder made of small green and dead saplings goes straight down for 72 feet to a loft where a second ladder goes down an additional 17 feet to the bottom of the southwest stope. Although the mine has been an excellant producer, poor planning in the development work has resulted in leaving ore along the back where it will be difficult to mine. At present work is being done at the northeast end of the mine and the southwest stope is flooding

GEOLOGY

The R. B. Phillips mine is in a steeply dipping concordant tabular pegmatite body that ranges in thickness in the southwest stope from 1 to 4 feet. Near the bottom of the stope the pegmatite appears to be pinching. The pegmatite strikes N55°E and dips 65°SE. At least 3 types of roll structures are present in the pegmatite. A broad warping along the face of the footwall has an axis nearly

parallel to the dip and minor rolls in the hanging wall plunge 55° to 65° to the southwest. Pronounced "S"-shaped rolls (drag folds) accentuated by later shearing are also present. These seem to have good continuity along strike and can be traced across the stope. The axes of these folds plunge 10° to 20° southwest. Although muscovite occurs throughout the pegmatite there is a tendency for the mica to be concentrated in the low plunging drag folds.

The pegmatite is composed of coarse-grained plagioclase, quartz, perthite, and muscovite with fine-grained accessory garnet. The muscovite is green and occurs in books up to 12 inches in diameter. In the southwest stope much of the mica exposed in the face is bent, "A" and ruled.

RECOMMENDATIONS

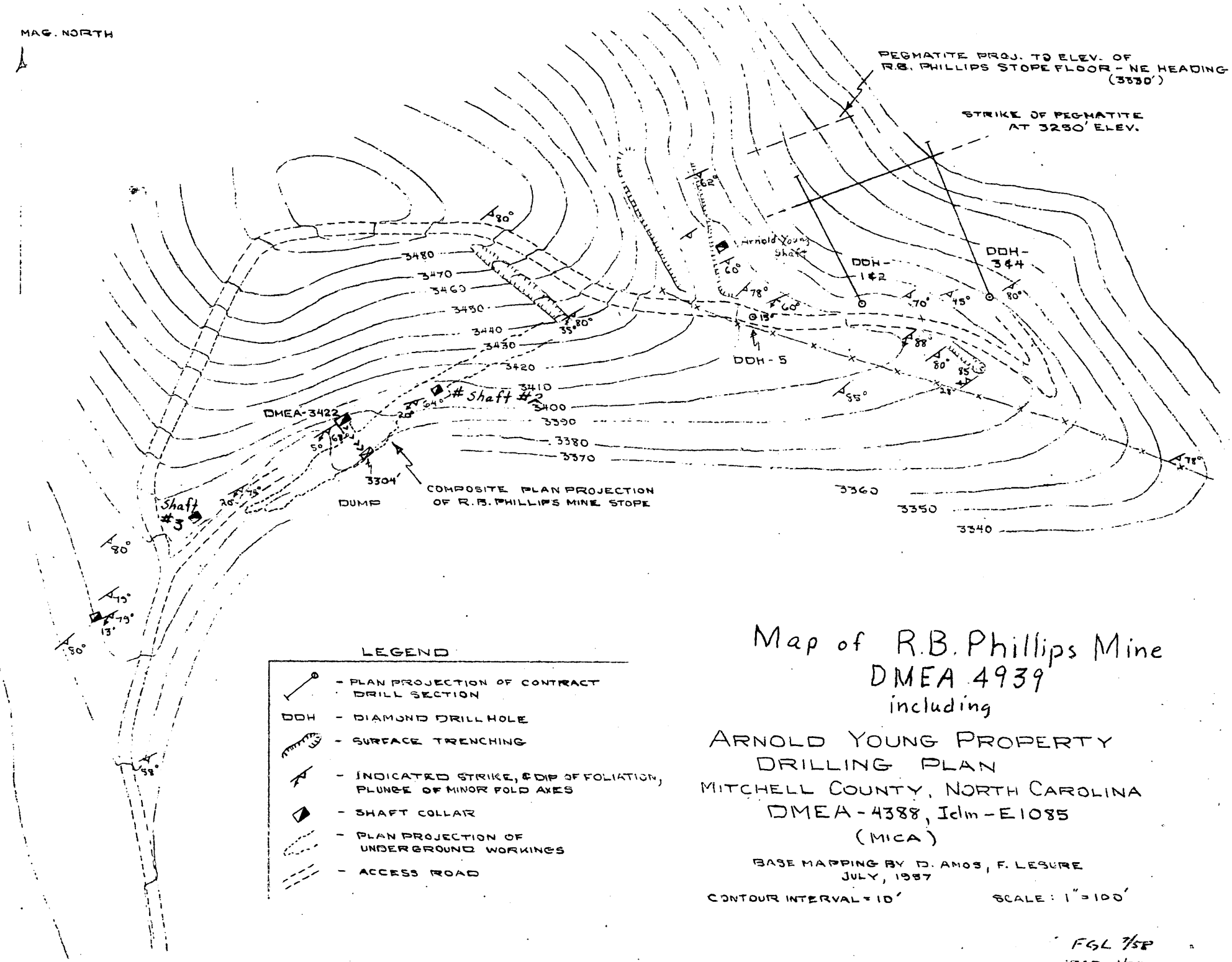
We recommend that exploration assistance be denied. Mica is present all along the southwest face of the southwest stope where the Applicant proposes to explore but may not be quite as abundant or of as good quality as in the northeastern part of the mine. The "A" roll structures followed in the stopes to the northeast are present in the southwest stope and appear to continue to the southwest. Any drifting from the southwest stope would appear to be development work and not exploration..

July 8, 1958

F. G. Lesure, Geologist
Geological Survey (DMEA)

S. A. Feitler, Mining Engineer
Bureau of Mines (DMEA)

z

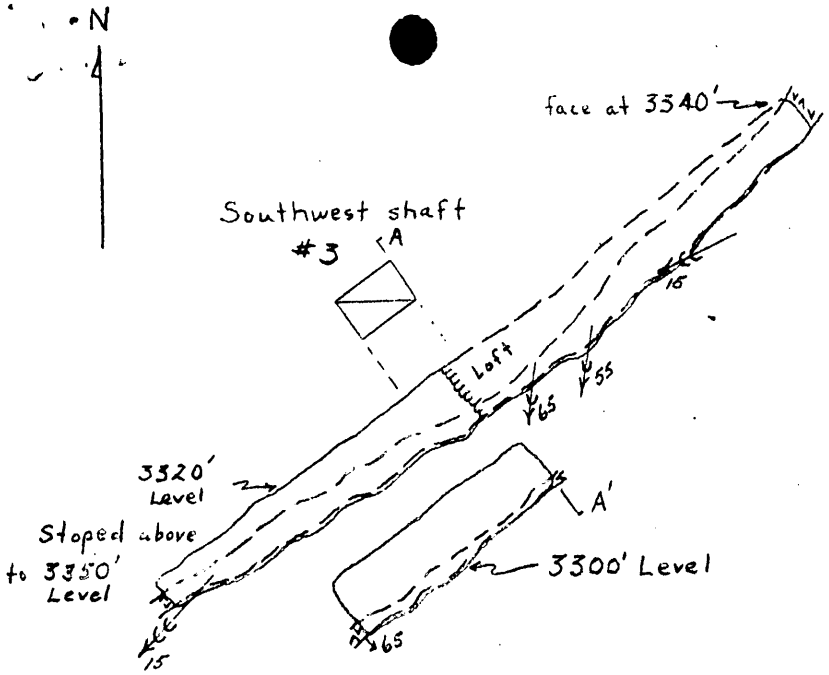


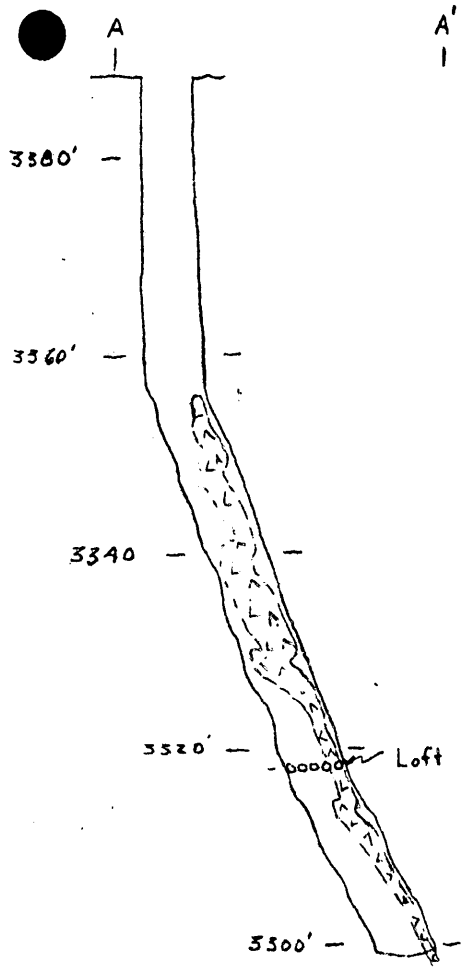
Map of R.B. Phillips Mine
DMEA 4939
including
ARNOLD YOUNG PROPERTY
DRILLING PLAN
MITCHELL COUNTY, NORTH CAROLINA
DMEA-4388, Idm-E1085
(MICA)

BASE MAPPING BY D. AMOS, F. LESURE
JULY, 1987

CONTOUR INTERVAL = 10' SCALE: 1" = 100'

FGL 7/88
SCB 1/88





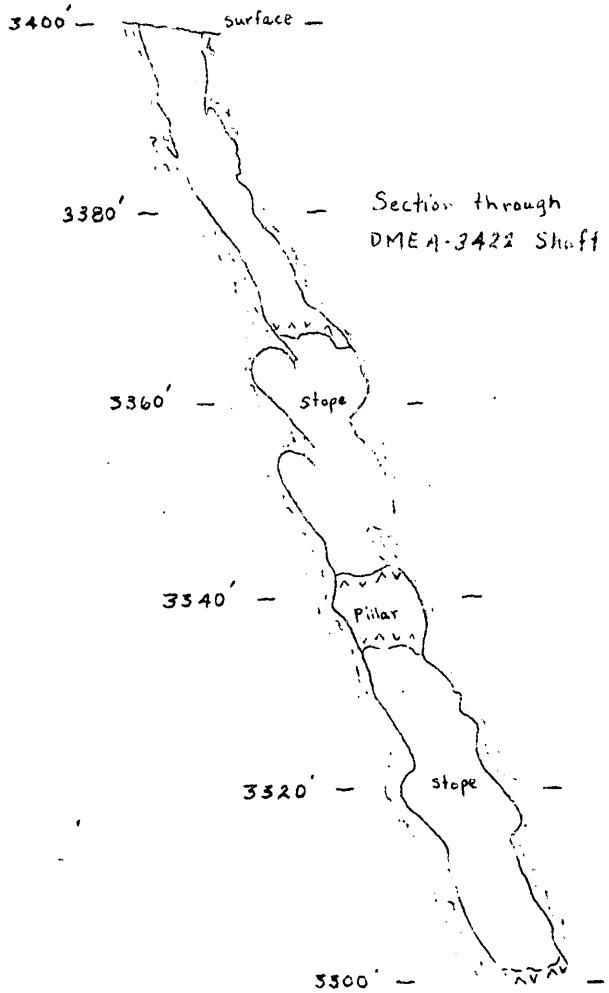
Explanation

Pegmatite

Gneiss

Strike & plunge of axes of small rolls in hanging wall

Strike & plunge of axes of "S" rolls



Section through DMEA-3422 Shaft area

R.B. Phillips Mine
Mitchell County, North Carolina
DMEA 4939

0 10 20 Feet

FGL 7/58
SEB 1/58

CENTRAL FILE COPY
DMEA
RECEIVED JUL 11 1958

DATE	INITIALS	CODE

May 20, 1958

Mr. L. G. Houk calling Mr. R. A. Laurence in Knoxville, Tenn.

Re: Docket No. DMEA-4939-Mica
R. B. Phillips #2

Mr. Laurence stated:

The examining engineers and Field Team are kicking around the idea of denying this one as they cannot see the proposed work as exploration. They may consider diamond drilling.

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

April 9, 1958

Resume of telephone conversation with Mr. Robert A. Laurence, Knoxville, Tennessee, April 9, 1958

By: Lawrence G. Houk

We discussed the Charles Robinson case in which there was some disagreement between the examining engineers and the Field Team. This mine was explored and has been paid back. The applicants are part of the original group with a few additional partners. (DMEA-4939)

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Houk	600
2/28	Selfridge	130
2/28	Lamb	130
2/28	Kilsgaard	130
"	Johnson	110
"	Mitterdorf	100
2/28	C	220
		680

600

FEB 28 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4939-Mica
Sam L. Phillips, et al.
R. B. Phillips #2
Mitchell County, North Carolina

Dear Mr. Phillips:

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

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

Sincerely yours,

C. O. Mitterdorf (fw)

Administrator

LGHouk:gad 2/27/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Houk	600
2/28	[illegible]	130
"	Jones	110
"	Whitaker	100
		220

600

FEB 28 1958

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

Re: Docket No. DMEA-4939-Mica
Sam L. Phillips, et al.
R. B. Phillips #2
Mitchell County, North Carolina

Dear Mr. Laurence:

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

If a contract is recommended, the Applicants should be required to supply an accurate underground map and property map of the R. B. Phillips area. If any portion of the proposed work is on the R. B. Phillips land a lease and Consent to Lien and Subordination Agreement will be required.

Copies of memoranda dated February 13 and 25, 1958, by Mr. N. 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

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 5

LGHouk:gad 2/27/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

February 25, 1958

DATE	INITIALS	
2/26	C	220
2/27	Hoch	600

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4939 (mica)

Applicant: Sam L. Phillips et al.

Name and Location of Property: R. B. Phillips #2 Project, Mitchell County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/11/58

Comments:

1. Applicants request assistance in further exploration on the mica-rich R. B. Phillips pegmatite.

2. From this mine over half a million dollars of strategic mica has been produced and sold.

3. Exploratory work is implied, but it appears that the proposed work might be development.

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 FEB 14 1958

DATE	INITIALS	CODE
2-14	C	220
2/14	Houk	600

IN REPLY REFER TO:

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

February 13, 1958
Re: DMEA 4939
Zeb Buchanan et al
R. B. Phillips #2 Project
Mitchell County, N. C.
$5,625.00 - 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 driving a drift to more clearly outline the limits of the mica-rich R. B. Phillips pegmatite on strike and dip.

No doubt the proposed work has implied exploratory value but it also looks like development.

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 11, 1958

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Subject: DMEA-4939

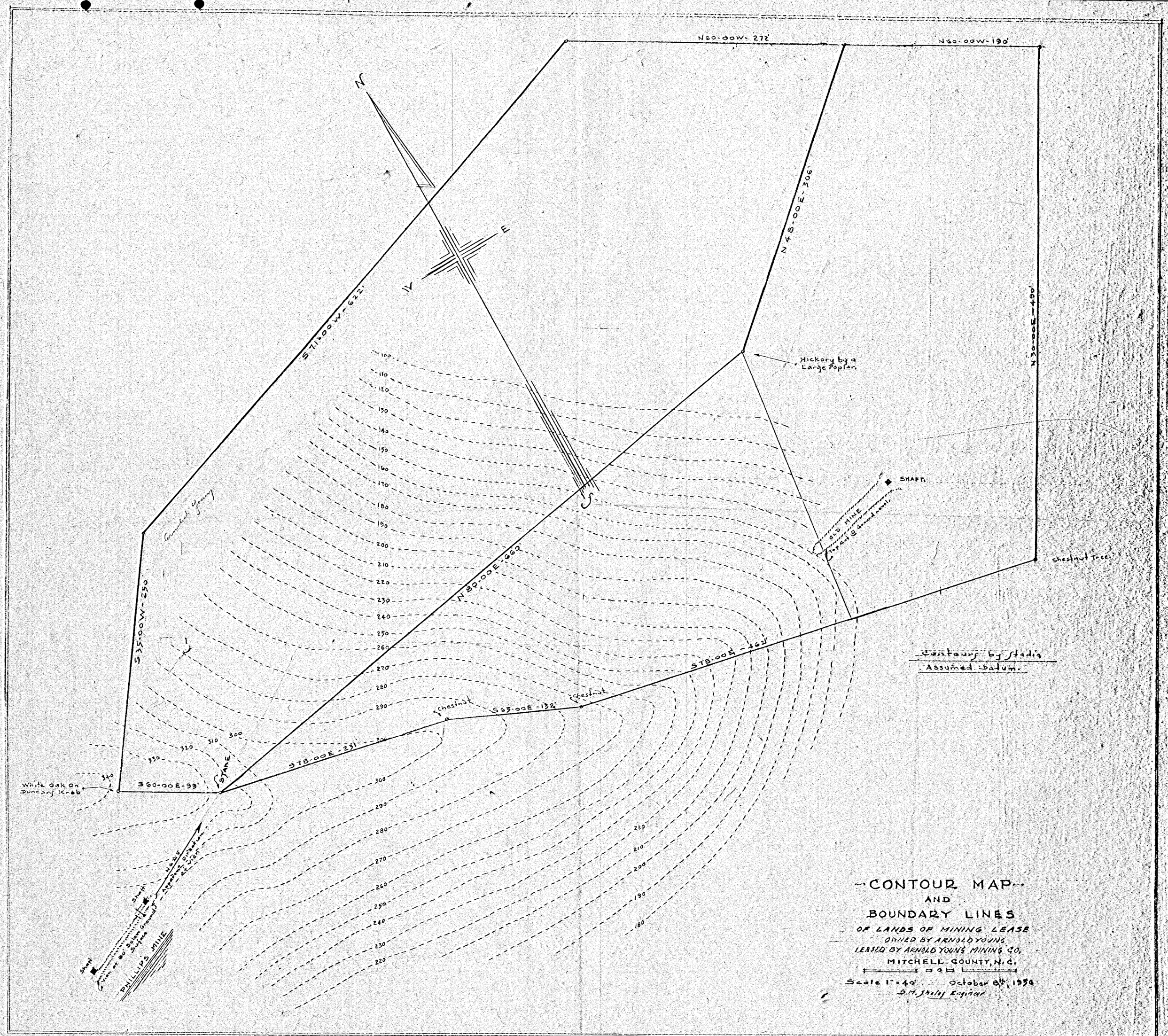
Dear Mr. Phillips:

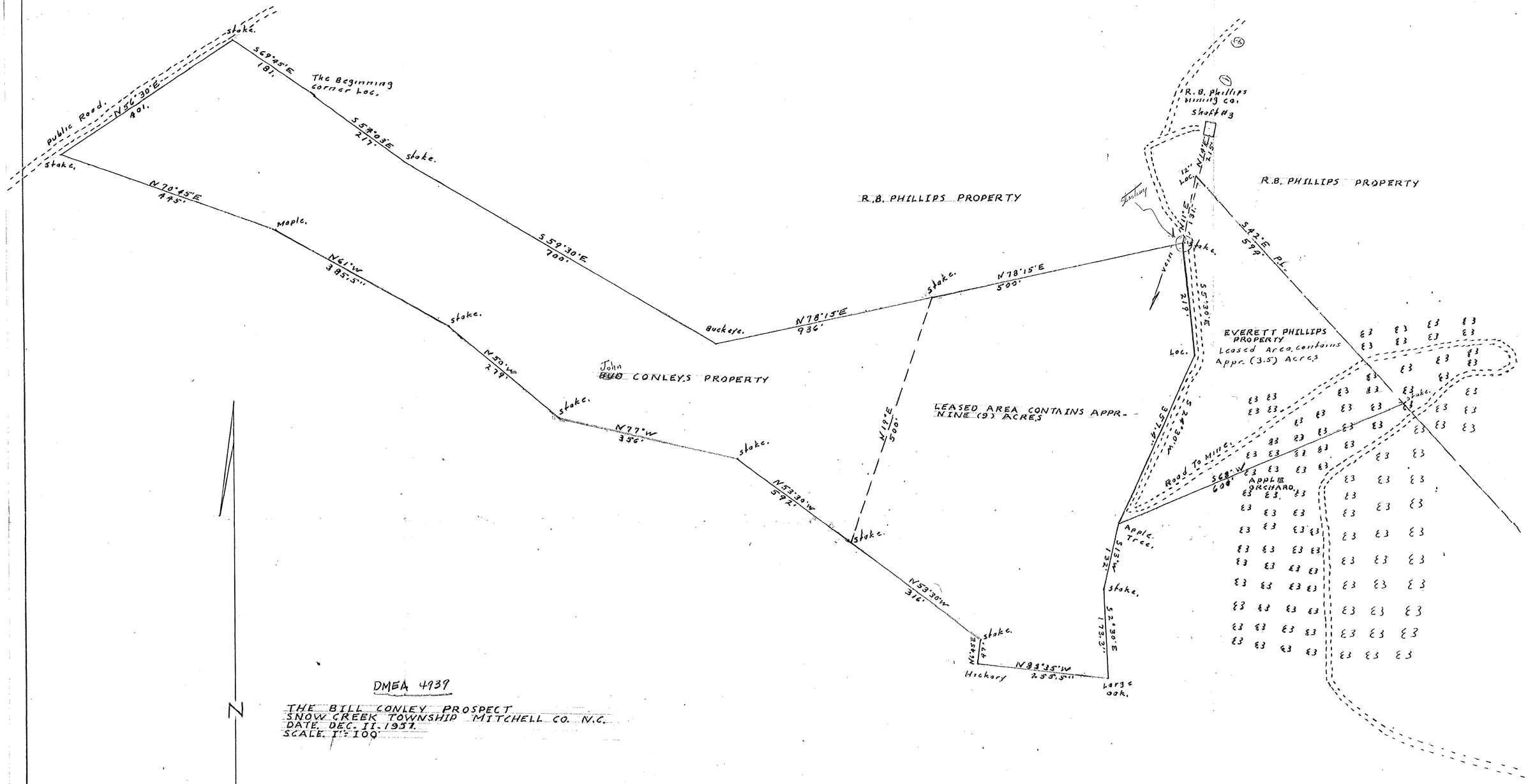
Your application for exploration assistance, dated January 24, 1958 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4939 and referred to the Non Metallics Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to: Region V


N60-00W-272'
N60-00W-190'
N
E
W
S
N48-00E-306'
N30-00E-490'
S71-00W-622'
Hickory by a Large Poplar.
SHAFT.
OLD MINE
Top out @ Ground level.
Chestnut Tree.
Contours by Stadia
Assumed Datum.
N80-00E-662'
S35-00W-250'
S78-00E-762'
Chestnut
S65-00E-132'
Chestnut
S78-00E-231'
STAKE
S60-00E-99'
White oak On Duncans Knob
Shaft
Vein at 90' Below Ground Surface
N65E
Apparent gradient 25°
PHILLIPS MINE
CONTOUR MAP
AND
BOUNDARY LINES
OF LANDS OF MINING LEASE
OWNED BY ARNOLD YOUNG
LEASED BY ARNOLD YOUNG MINING CO.
MITCHELL COUNTY, N.C.
Scale 1"=40'
October 8th, 1956
D.M. Shaley Engineer



DMEA 4939

THE BILL CONLEY PROSPECT
SNOW CREEK TOWNSHIP MITCHELL CO. N.C.
DATE. DEC. 11. 1957.
SCALE. 1" = 100'