DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2911

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EXPLORATION ASSISTANCE

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

One copy to USGS. ~~to USBM. and~~ to Region VII.

Routing Slip

To:	Code 400, Room 3538	Date	2/27/53
To:	Oper. Com.	Date	3-11-53
To:	Oper. Com.	Date	5-4-53
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400

FILE COPY
SURNAME:

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

Rutledge
Martin
Geely
Rittenden
Hedges
Fryden
Gellrudge
Fejtkuno

Mr. Salom A. Bader
Mt. Mitchell Hotel
Burnsville, North Carolina

MAY 5 1953

Re: Docket No. DMEA 2911 - Manganese
Salom A. Bader
E. R. Phillips' BLM Lease
No. A-030649
Unicoi County, Tennessee

Dear Mr. Bader:

Your application for aid for an exploration project and other data available to us in Washington concerning the subject area 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, although noting a small amount of manganese mineralization on your lease, indicates to us that the probability of disclosing minable ore reserves by your proposed program 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 lease to our attention.

Sincerely yours,

C. O. Mittenderf (FW) J. C. 5/5/53

Administrator

FARutledge/ls
5/1/53

CC: Docket
Field Team, Region 7
Code 400
Adm. Reading File
N. B. Melcher, USBM
M. D. Crittenden, USGS
Operating Committee

BLM 030649
Robert L Wilkinson 3403
Rm 5543

Lease in name of
H. R. Phillips
Prevailing
Vassar Bradshaw
OMEA 2368 Feathers
is a Mica on Forestland in N.C.

11/20/53 Manganese in Unicoi County, Tennessee

Salem A. Sader
1301 Mass. Ave. N.W.
Washington D.C.
ME 8-0377
or
LI 4-4240 Ext 4

400

FILE COPY
SURNAME:

Rutledge
Martin
Gealy
Gritchelow

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

Copy to: Docket
Adm. Reading File
Code 400
Operating Committee

May 1, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of exploration project in the amount of $34,400.00
Docket No. DMEA 2911 - Manganese
Salem A. Bader
H. R. Phillips' BLM lease No. A - 030649
Unicoi County, Tennessee

J. C. 4/5/53

The denial of the subject application by this Division is based on the following information:

(1) The application is poorly prepared and no definite target is given. The applicant stated that there had been four years of prospecting on the lease but no data were given to substantiate this claim.

(2) A previous application for exploration assistance for iron ore (DMA-1251) was denied in 1951. A sample taken by the Field Team (1950) contained 2.5 percent Mn and 57.4 percent Fe over 5.8 feet. The Field Team concluded that there was insufficient tonnage of iron ore to warrant the investment necessary for economical operation.

(3) No showings of any deposits of manganese that would warrant investigation by the Government were seen by the Field Team. A conflict between the applicant and the holder of the Bureau of Land Management lease is now apparent. The Field Team cannot further examine the property without being guided to the prospects. Apparently Mr. Phillips does not want to do this and Mr. Bader does not know the locations.

(4) The property is underlain by the Unicoi formation consisting principally of quartzites, sandstones, and arkosic conglomerates, with some interbedded shale. There are no known manganese deposits of commercial significance in the Unicoi formation in East Tennessee.

(5) The Field Team recommends denial of the application.

(6) The Commodity Division of the Geological Survey and the Bureau of Mines concur with denial of the subject application.

FARutledge/ls

W. S. Martin
W. S. Martin, Acting Chief

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

May 1, 1953

MEMORANDUM

To: Administrator, DMEA

From: Iron and Ferro-Alloys Division, DMEA

Subject: Denial of exploration project in the amount of $34,400.00
Docket No. DMEA 2911 - Manganese
Salem A. Bader
H. R. Phillips' BLM lease No. A - 030649
Unicoi County, Tennessee

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(3) No showings of any deposits of manganese that would warrant investigation by the Government were seen by the Field Team. A conflict between the applicant and the holder of the Bureau of Land Management lease is now apparent. The Field Team cannot further examine the property without being guided to the prospects. Apparently Mr. Phillips does not want to do this and Mr. Bader does not know the locations.

(4) The property is underlain by the Unicoi formation consisting principally of quartzites, sandstones, and arkosic conglomerates, with some interbedded shale. There are no known manganese deposits of commercial significance in the Unicoi formation in East Tennessee.

(5) The Field Team recommends denial of the application.

(6) The Commodity Division of the Geological Survey and the Bureau of Mines concur with denial of the subject application.

W S Martin
W. S. Martin, Acting Chief

Blocked

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

April 17, 1953

Department of the Interior
Defense Minerals Administration
APR 22 1953

Memorandum

WSM

To; Operating Committee, D M EA Washington

From: Field Team, D M E A - Region 7

Subject: DMEA-2911 (Manganese, etc.) Salem E. Bader, applicant
Report of Field Examination

Transmitted herewith are 4 copies of the Field Examination report on the subject application. The Field Team strongly concurs in the recommendation for denial.

The applicant obviously has no understanding of the geology of the area, or he would not have planned to explore for manganese, silver, copper, magnetic iron ore, and aluminum, on this 678 acre tract. This alone would disqualify the applicant, in our opinion, even if the area had shown some promise.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA
Field Team, Region 7

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

Forwarded by
DMEA Operating Committee
4-27-53

UNITED STATES

DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-2911, SALSA A. BAILEY, (Manganese)
Unicoi County, Tennessee

BY

Wm. A. Beck, Mining Engineer
U. S. Bureau of Mines

Benjamin Gildersleeve, Geologist
U. S. Geological Survey

April 20, 1953

4-27-53

FIELD TEAM EXAMINATION ON
DMEA Docket 2911, Salem A. Bader, (Manganese)
Unicoi County, Tennessee

Applicant: Salem A. Bader, Burnsville, North Carolina

It is the opinion of the Field Team that the chances for a significant discovery are very remote. Therefore, the Field Team recommends the application be denied.

On March 18, 1953, the Field Team made a preliminary examination of the property. They were accompanied by the applicant, Mr. Salem A. Bader, and his associate, Mr. H. R. Phillips.

The property is in Unicoi County, Tennessee, between the headwaters of north Indian Creek and Rock Creek, 4 miles east of Erwin, Tennessee. The property adjoins, on the south, the Tennessee-North Carolina boundary. It consists of 678 acres of the Cherokee National Forest, held under a mineral lease in the name of H. R. Phillips from the Bureau of Land management (BLM-A-030649). Mr. Bader told the Field Team application has been made for a mineral lease on an additional 900 acres.

The Field Team first went to the south boundary of the tract at Beauty Spot Gap. Here Mr. Phillips pointed out distant locations on Rattlesnake Mountain where there were "showings of high-grade manganese." The "prospects" were on the south slope and along the crest of Rattlesnake Mountain. Also, the occurrence of "other prospects" on the north slope of Rattlesnake Mountain were vaguely described by Mr. Phillips.

The applicant was under the impression that approval of his proposed exploration project would mean he could spread out the work over the entire 678 acre-tract. The Field Team explained that he should delimit definite localities, or areas, for exploration.

The Field Team asked to be shown the main manganese propects from which samples had been taken for the analyses accompanying the application. The Field Team was shown:

(1) "The old Garland silver mine" on the south slope of Rattlesnake Mountain, opposite Beauty Spot Gap. This mine had been partially cleaned out by Mr. Phillips. However, the workings are badly caved and slumped, material obscures the "silver ore bed"--if there ever was one. It was reported by Mr. Phillips to be a well-known silver mine, last worked before the Civil War. The only metallic mineral seen in the dump material was a few grains of pyrite. There is no geologic evidence to support the reported occurrence of silver ore from which legendary home made silver dollars came.

(2) "Prospect No. 1"-This pit, now filled with slump material, is the prospect for which J. W. Walker submitted DMA application 1251. Application 1251 was for iron ore. The Field Team report, dated July 17, 1951, recommended denial. No additional work has been done at this prospect. The Field Team is of the opinion that this prospect does not have any possibilities for manganese and still believes, as stated in the report on the examination for DMA-1251, the probability of finding a significant iron ore deposit is very remote. The 90-day option held by Mr. Walker, DMA-1251 has expired.

So much time was taken up with getting to, and examining, the two localities described above it was not possible to see other prospect on the property.

An appointment was made with the applicant, Mr. Bader, to complete the examination on April 15, 1953. On April 8 the Field Team received a letter from Mr. H. R. Phillips saying it would not be necessary to further examine the property. He was advised the re-examination would be made as scheduled with the applicant. (See attached correspondence).

On April 15 the Field Team met Mr. Bader at Erwin, Tennessee. Mr. Bader had received a letter from Mr. Phillips, dated April 13, saying there was no need to proceed further with the application, that he could not guide the Field Team to the prospects, but would meet Mr. Bader and the Field Team in Erwin on April 15. Mr. Phillips did not keep this appointment. The situation boils down to:

1. The application is in the name of Salem A. Bader.
2. Salem A. Bader has a contract with H. R. Phillips allowing him to prospect and develop the property under terms of a mineral lease held by H. R. Phillips from Bureau of Land Management.
3. H. R. Phillips collected the samples from Prospect No. 2 and Prospect No. 5, analyses of which were submitted by Salem A. Bader in his application to DMEA.
4. Salem A. Bader has not seen Prospect 2 and 5, and does not know their locations.
5. The Field Team cannot further examine the property without being guided to the prospects. Apparently, Mr. Phillips does not want to do this, and Mr. Bader does not know the locations.

The property is underlain by the Unicoi formation, of lower Cambrian age, consisting principally of quartzites, sandstones, and arkosic conglomerates, with some interbedded shale. There are no known manganese deposits of commercial significance in the Unicoi formation in East Tennessee. The only production in Unicoi County has come from residual deposits in a belt of Shady dolomite, about 4 miles northeast of the tract in question.

The Field Team believes further examination is not wanranted, and recommends the application be denied.

Dated: April 20, 1953

Benjamin Gildersleeve, USGS

Wm. A. Beck, USBM

xm

ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

C O P Y

April 8, 1953

Mr. H. R. Phillips

Green Mountain, North Carolina

Dear Mr. Phillips;

Reference is made to your letter of April 6 in which you stated that it would not be necessary to make the examination near Erwin on the Simon Bader application. We have already made an appointment to meet Mr. Bader at the Bus Station at Erwin on Wednesday, April 15 at 9:00 a.m. Unless we hear otherwise from Mr. Bader, we will be there at that time.

We would appreciate it if you could be present also.

Very truly yours,

Wm. A. Beck

WAB/mg.
cc:
Laurence
Lynch
Files.

Copied by zm.
4 copies with Field
Examination report to
Washington.

ROOM 14, POST OFFICE BLDG
KNOXVILLE 2, TENN.

C O P Y

Green Mountain, N. C.
4/6/53

Dear Mr. Beck

I am writing you in reguard to your trip to look at the manganese prospects in the Unaka Mtn. near Erwin, tenn.

Mr. Bader tells me yesterday that you was supposed to come to Erwin next wed or Thursday 8th or 9th to go over the prospects.

I wish to inform you that this will not be necessary to make the trip at that time for reasons I will not state by letter. However, I hope to see you the next time you are in this vacinity and give you my reasons for not going ahead with Mr. Bader at this time.

So please let me know when you will be in Burnsville or Spruce Pine and I will meet you and explain everything to you. I do not know of any other way to do this and give the full details. So you may put Bader of by some excuse untill I am able to sit down and tell you the whole story. Please advise

s/ H. R. Phillips

Copied SIC
zm.
Beck
Laurence
4-Washington with
Field Exam. Report.

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

Dorbat

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1953

April 1, 1953

WSM

Memorandum

To: Operating Committee, D M E A- Washington

From: Executive Officer, DMEA Field Team, Region 7

Subject: DMEA-2911, Salem A. Bader (Manganese, etc.)

A partial examination of this property was made by Mr. Beck and Mr. Gildersleeve on March 18. As the applicant claimed to have additional data, as well as some new trenches which could not be visited on that date, a re-examination is planned, when the applicant sends additional information and advises that he is ready to revisit property.

This is the same lease as DMA-1251 (J.W. Walker) which was examined in July 1951, and denied, as an iron ore project. The chance of commercial manganese ore here is remote, but to give the applicant all benefit of doubt, we will re-examine and report to you soon afterwards.

Robert A. Laurence

Robert A. Laurence

Copy retained 400

400

FILE COPY
SURNAME:

Rutledge
Martin

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

MAR 1 9 1953

Air Mail

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

Re: Docket No. DMEA 2911 - Manganese
Salem A. Bader
BLM lease No. A - 030649
Unicoi County, Tennessee

Dear Mr. Laurence:

Enclosed are two copies of a memorandum by Gilbert L. DeHuff, Jr., U. S. Bureau of Mines, on the subject application to complete your file docket.

Sincerely yours,

SIGNED

W. S. Martin, Acting Chief
Iron and Ferro-Alloys Division

3/19/53

cc: Docket
Field Team, Region 7
Admn. Read. File
N. B. Melcher, USBM
M. D. Crittenden, USGS

Enclosures

Code 400

FARutledge/hhb
3/18/53

Docket

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1953

GCD 5/4/53

March 13, 1953

Memorandum

To: W. S. Martin, Acting Chief, Iron & Ferro-Alloy Br., DMEA

From: Gilbert L. DeHuff, Jr., Commodity Specialist

WSM

Subject: DMEA 2911 - Manganese Salem A. Bader
(H. R. Phillips Property)
Unicoi County, Tennessee

Application is made for aid to explore a property in Unicoi County, Tenn., by core drilling, bulldozing, and open-cut excavation. Total cost is estimated by the applicant to be $34,400, including building and road construction and repair, equipment and supervision.

Two reports of analyses submitted by the applicant show manganese contents of 38.8 percent and 46.52 percent, identified only as Prospect No. 2 and Prospect No. 5. No shipments have been made from the property.

A Bureau of Mines engineer made an examination in September 1950 at which time he found several prospect shafts, pits, and a trench. A sample cut at right angles to the dip at the most prominent exposure analyzed 2.5 percent Mn and 57.4 percent Fe over 5.8 feet. He described the deposit as "hematite, psilomelane and pyrolusite, concentrated on impervious quartzite," dipping 51 degrees and having a leached, siliceous capping for a hanging wall. Considerable float was found on the adjoining slopes. His only reference to manganese in his conclusion was the remark that the sample ran considerably lower in manganese and higher in iron than expected. He doubted that there was sufficient tonnage of iron ore to warrant the investment necessary for economical operation, but concluded " should the need for iron become extremely critical, the property should be re-examined by several short holes to test the probable extent before any extensive exploration is undertaken".

It is to be noted that the Bureau's engineer reported the iron mineral to be hematite, whereas the applicant has named the minerals for which he wishes to explore as manganese, silver, copper, magnetic iron ore, and aluminum, with particular emphasis on manganese.

Copy retained 400

While our engineer's findings with respect to manganese were very discouraging, exposures were limited at the time of his visit, and it is possible that later work may have disclosed better showings from which applicant's samples may have been taken. For this reason, and because of the remote possibilities for an iron ore deposit, it is believed advisable that this application be referred to the Field Team for their consideration.

Gilbert L. DeHuff, Jr.

Gilbert L. DeHuff, Jr.

DeHuff —

Bureau of Mines made examination of Bader property in 1950.

Poor for iron
57 % iron
2 1/2 % Mn.

DeHuff will furnish memo — Please forward to FT as soon as possible

400 FILE COPY
SURNAME:

Rutledge
Martin
Hedges
Selfridge

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

MAR 1 1 1953

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

Re: Docket No. DMEA 2911 - Manganese
Salem A. Bader
BLM Lease No. A - 030649
Unicoi County, Tennessee

J. S. 3/11/53

Dear Mr. Laurence:

Reference is made to the subject application for exploration assistance which is being referred to your office for review and a field examination if an examination is warranted.

The application was poorly prepared and does not contain much of the essential information needed to evaluate the merits of the requested exploration project. If a contract is recommended by the Field Team, this information will be required.

Data available in Washington indicate the area covered by the subject application is southeast of the known manganese-bearing formations. A memorandum from M. D. Crittenden, U. S. Geological Survey, has been prepared and is enclosed for your information. The assays referred to in Mr. Crittenden's memorandum were received in our office and copies are enclosed in case they were not attached to your copy of the application.

Sincerely yours,

George C. Selfridge (2/6)

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges (2/6)

Member, Bureau of Mines

D. M. Lemmon (2/6)

Member, Geological Survey

CC: DOCKET
FIELD TEAM, REG. VII
CODE 400
OPERATING COMMITTEE
ADMN. READ. FILE
N. B. MELCHER, USBM
M. D. CRITTENDEN, USGS

FARutledge/ls
3/6/53

FILE COPY
SURNAME:
400

Rutledge
Martin
Hedges
Lemmon

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

MAR 11 1953

Mr. Salem A. Bader
Mt. Mitchell Hotel
Burnsville, North Carolina

Re: Docket No. DMEA 2911 -
Manganese
Salem A. Bader
BLM Lease No. A-030649
Unicoi County, Tennessee

J.C. 3/11/53

Dear Mr. Bader:

Your application for assistance in exploring manganese occurrences on land in the Cherokee National Forest, Tennessee, held under a mineral lease from the Bureau of Land Management, has been reviewed by the Iron and Ferro-Alloys Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

Should a field examination be made of the property, any assistance that you can render the examining engineers will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

CC: DOCKET
FIELD TEAM, REG. VII
CODE 400
ADMN. READ. FILE
N. B. MELCHER, USBM
M. D. CRITTENDEN, USGS

FARutledge/ls
3/6/53

IN REPLY REFER TO:

G-MD-CF

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

March 4, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 1953

Memorandum

To: W. S. Martin

From: M. D. Crittenden

Subject: DMEA-2911 (Manganese)
Salem A. Bader

The applicant proposes to do 2,800 feet of core drilling and an unspecified amount of surface trenching for a total cost of $34,400, on a 678-acre tract in Unicoi County, Tennessee. The mineral values reported include silver, copper, magnetite, aluminum, and manganese. No assays are given, though the application says "assays enclosed".

The tract in question adjoins the Tennessee-North Carolina boundary between the headwaters of N. Indian Creek and Rock Creek, and is just off the edge of Plate 7, Bulletin 52, Tennessee Division of Geology, 1944. This plate and the geologic map, plate 1, indicate that the tract in question is about 4 miles southeast of the belt of rock (Shady dolomite) that has yielded the only production in that county. No manganese was reported on the crest of Unaka mountain in 1944, nor are the rocks in that area known to contain commercial deposits elsewhere.

Although the Geological Survey does not have specific knowledge of deposits on the tract in question, the geological environment is known, and the chances for a significant discovery can only be characterized as poor.

M. D. Crittenden

Copy retained 400

February 27, 1953

Mr. Salem A. Bader
Mt. Mitchell Motel
Burnsville, North Carolina

Subject: DMEA-2911
Re: Exploration Assistance

My dear Mr. Bader:

The receipt of your application dated February 12, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2911 and referred to the Iron and Ferro-Alloys Division.

Kindly refer to DMEA-2911 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS
Robert E. Adams
Chief, Operations Control
and Statistics Division

dmea 2911

WASHINGTON, D. C. NEW YORK CITY LOS ANGELES BURNSVILLE, NORTH CAROLINA

SALEM A. BADER & ASSOCIATES

MINING ENTERPRISES

ADDRESS REPLY TO:
Mt.Mitchell Motel
Burnsville,N,C.

Feb.24th.1953

Mr.W.S.Martin
D M E A . (Room 3538)
Department of the Interior
Washington,D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 26 1953

Dear Mr.Martin,

In reference to our meeting in your offcie a little over three weeks ago,and as per your instructions I am submitting the necessary papers with the view of securing an exploration loan.

Enclosed is the following:

1. Application for Aid in an Exploration Project.
2. Supplementary information and answers to application.
3. Map of property showing various ores which have been located thru prospecting and testing.
4. Price estimate showing itemized requirements and cost.
5. Copy of Lease.
6. Agreement with Lease holder.
7. Two recent assays of manganese.

These papers would have been ready before this but remembering what you said about a pretty close cost estimate,- I had to contact two core drilling companies and work out a price. Besides other details which had to be acquired.

As I told you our principal target is MANGANESE which we spent four years proving. You will notice copper,silver and magnetic iron on the map.Copper is next in line on our program.

Thanking you for your cordial and considerate meeting and hoping you will be able to expedite this matter as weather will be permitting us to really go to work about the first of April.

With warm wishes,I am,

Sincerely yours,

Salem A.Bader

Salem A.Bader

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 26 1953

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. dmea 2911
Metal or Mineral
Date Received 2-26-53
Estimated Cost
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: Salem A. Bader

(*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 Cherokee National Forest located in Unicoi County. Refer to Dept. of the Interior, Bureau of Land Management, - lease No. BLM -A - 030649 in the name of H.R. Phillips.

(*b*) State any mine name by which the property is known. none at present.

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Purchaser under contract and operation party.

(*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.

(*e*) If you own the land, describe any liens or encumbrances on it Land is government, - owned.

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

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.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. None.

(*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. All available.

5. *The exploration project.*—(a) State the mineral or minerals for which you will to explore Manganese, silver, copper, magnetic iron ore aluminum.

(*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. Map enclosed showing prospective exploration points.

(*c*) The work will start within 10 days and be completed within 3 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.

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:

(*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 Feb.12th., 1953

Salem A. Bader
(Applicant)

By Salem A.Bader

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

Supplement to Application for Aid in an Exploration Project.
Application made dated Feb.12th.
****

3.(d) Copy of lease and contract enclosed.

4. There has been 4 years of prospecting this property and testing and examinations and assays made. Costing many thousands of dollars by holder of the lease and by applicant for aid in exploration project. Fair existing roads make accessibility to property possible,- for examination only.

4 (c) Map enclosed marked to show roughly where exploration points will be made and the various minerals sought. Chief reason to explore is after all prospecting and other preliminary work and expense has been made,it is imperative that we know the approximate volume of ores and potential reserves.
Assays enclosed.

4(d) Existing roads at present may be used for examination only. Shipping points would be Erwin,Tenn. which is 4 miles or Unicoi,Tenn, which is 5 miles. Residence points same as shipping points.

5(d) The experience of applicant consists of four years of mining and applicant will utilize the mining engineers supplied by companies who will participate in the ultimate production of the ores.

6. Estimate of costs enclosed in itemized form.

6(a) Contract for core drilling is to be let to expert drilling company,and costs appear on attached estimate.Contract for bulldozing is to be let also and costs appear on estimate of costs attached.

6 (b)(c)(d)(e)(f)(g) covered in estimate of costs attached.

Cost of Operation on propsed Exploration Project on
Cherokee National Forest, Mineral Government Lease
issued to H.R.Phillips No. BLM-A- 030649

1.	2800 Ft. Core Drlling at $6.00 per ft. Total (Contract to be sublet to Core Drilling Co.)	$ 16800.00
2.	300 hours Bulldozing property at $10 per hr.	3000.00
3.	300 hours Bulldozing Operatior at $2 per hr.	600.00
4.	100 hours Building and repairing existing roads by bulldozing and labor. at $10 per hr.	1000.00
5.	100n Bulldozing Operator . at $2 per hr.	200.00
6.	100 feet 5x6 1/2 feet hand tunnel and labor at $12 per ft.	1200.00
7.	100 feet open cut excavation at $12 a~~n hour~~ ft. and labor	1200.00
8.	50 feet open cut excavation and labor at $10 per hr.	500.00
9.	200 hours Compressor 105 Ingersoll at $6 per hr. with operator.	1200.00
10.	One low water bridge, new. at	1000.00
11.	One low water bridge, to be repaired	600.00
12.	One 3/4 ton pick up truck,- new.	2000.00
13.	6 common laborers at 100 hours each - 600 hours at $1 per hour	600.00
14.	50 cases of dynamite at $11.50 per case	575.00
15.	2000 electric exploders at $13.50 per hundred.	675.00
16.	Two rough buildings at $500 each	1000.00
17.	90 days supervision. at $25 per day	2250.00
		34400.00

****

EXPLORATION & PRODUCTION AGREEMENT.

I,- H.R.Phillips of Burnsville,N.C. holder of a government mineral land lease,signed Nov.1st.1952,known under Bureau of Land Management file No. BLM-A- 030649,-in consideration of $1 and for the services, interest,expense and cash outlays given by Salem A.Bader,- I hereby grant said Mr.Bader and/or his associates and/or his designees the following exclusive rights and authority:

1. To promote,expedite and finance the necessary exploration and developement of the above mentioned leased land for the purpose of estimating the volume and reserves of all minerals and ores,as indicated by past extensive prospecting,examination and assaying on such land.

2. That after all final exploration reports are completed, Mr.Bader is authorized to organize a production company of all minerals,or adquire the assistance or association of established producing companies now or in the future interested in such production.

3. This agreement is valid for a period of one year from date,within which time all exploration activities are completed and production of ores is to begin. This is based on the terms and conditions existing in my government lease.

4. Upon compliance by Mr.Bader with the above mentioned conditions,- Mr.Bader is hereby granted the same production rights to cover the life of the lease,including all extensions granted by the Bureau of Land Management,. Mr.Bader is hereby permitted to sell his production interests to qualified individuals or companies.

5. Any and all compensation accruing to me,is to be mutually agreed upon,upon completion of all exploration activities.

6. The above rights and conditions are granted Mr.Bader on the second application made by me for adjacent additional land and now pending and in process under Bureau of Land Management file No. BLM-A-032845

H.R. Phillips (SEAL)
H.R.Phillips

Mae Phillips (SEAL
Mae Phillips

Salem A Bader
Accepted: Salem A.Bader

Janurary 10th.1953

Address All Correspondence to the
Baltimore Office

MULBERRY 5811

dmea 2911
Washington, D. C. Office
412 Albee Bldg., 15th and G Sts., N. W., (5)
Republic 5066

PENNIMAN & BROWNE, INC.
CHEMISTS – ENGINEERS – INSPECTORS
341 ST. PAUL PLACE
BALTIMORE 2, MARYLAND

September 18, 1952

REPORT OF ANALYSIS

No. 521477

Sample of Manganese Ores

From Salem A. Bader

Marked As below

MARKED	Prospect #2	Prospect #5
Manganese (Mn)	38.8 %	46.52 %
Silica (SiO_2)	11.14	1.13
Phosphorus (P)	0.120	0.060
Sulfur (S)	0.040	0.012
Copper (Cu)	0.002	0.001
Lead (Pb)	absent	absent
Zinc (Zn)	.001	.001

PENNIMAN & BROWNE, INC.
Analysts

Address All Correspondence to the
Baltimore Office

MULBERRY 5811

dmea 2911
Washington, D. C. Office
412 Albee Bldg., 15th and G Sts., N. W., (5)
Republic 5066

PENNIMAN & BROWNE, INC.
CHEMISTS — ENGINEERS — INSPECTORS
341 ST. PAUL PLACE
BALTIMORE 2, MARYLAND

October 30, 1952

REPORT OF ANALYSIS

No. 521477-a

Sample of Manganese Ores

From Salem A. Bader

Marked As below

MARKED	Iron as Fe
Prospect #2	6.62 %
Prospect #5	1.34 "

PENNIMAN & BROWNE, INC.

Analysts

Form 4-1100
(May, 1949)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Washington 25, D. C.

Serial No. BLM-A 030649

Tennessee
(State)

MANGANESE
MINERAL LEASE - ACQUIRED LANDS Cherokee National Forest

This mineral lease entered into in quintuplicate this ..... day of NOV 1 1952, 19....., by and between the United States of America, the lessor, through the Bureau of Land Management, and W. R. Phillips, the lessee, of Rt. No. 2, Burnsville, N.C., pursuant to Section 402 of the President's Reorganization Plan No. 3 of 1946, and regulations thereunder (43 CFR 200.31 et seq.); witnesseth:

SECTION 1. Rights of Lessee. In consideration of the rents and royalties to be paid and conditions and covenants to be observed as herein set forth the lessor grants to the lessee, subject to all privileges and uses heretofore duly authorized and prior valid claims, for a period of 10 years from the date hereof, the exclusive right to mine, remove and dispose of all the manganese and associated minerals in, upon, or under the following-described tracts

POINT OF BEGINNING Corner #2 of Forest Tract No. 60 acquired from J. L. Tucker; Thence following the meanders of the top of Unaka Mountain which is the North Carolina-Tennessee State line to Corner #5 of Forest Service Tract No. 60; Thence N 36° 48' W 109.34 chains to Corner #6 of Forest Service Tract No. 60; Thence N 35° 00' E 22.85 chains to Corner #7 of Forest Service Tract No. 60; Thence N 77° 00' E 8.83 chains to Corner #8 of Forest Service Tract No. 60; Thence N 15° 00' E. 8.78 chains to Corner #9 of Forest Service Tract No. 60; Thence following the meanders of Rattlesnake Ridge in a southeasterly direction to Corner #2 the point of BEGINNING, containing 678 acres, more or less, all in Unicoi County, Tennessee. Corner No. 5 of this description is same as Forest Service #379; Corner No. 6 of this description is the same as Forest Service #376.

containing 678.00 acres, more or less, together with the right to construct and maintain thereupon such structures and other facilities as may be necessary for the mining, preparation and removal of said minerals.

SECTION 2. In consideration of the foregoing, the lessee agrees:

(a) Production. To begin production within 12 months and to continue production thereafter unless operations are interrupted by strikes, the elements or casualties not attributable to the lessee. The lessor may grant reasonable extensions of time for the commencement of production, and may authorize suspensions of production for reasonable periods of time in the interest of conservation or when the lease cannot be successfully operated at a profit, or for other reasons when such action does not adversely affect the interest of the United States.

(b) Rental. To pay to the lessor annually in advance, beginning with the date of this lease, rental of $1.00 for each acre or fraction thereof for each lease year until production commences, the rental payment for the year in which production commences to be credited on royalties that accrue during that lease year.

(c) Royalty. To pay the lessor within 30 days after the end of each period prescribed in subsection (f) of this section a royalty of 5 per cent of the gross value of the minerals mined hereunder at the point of shipment to market, such point of shipment to be the mine or preparation plant, as the case may be. The lessee agrees that the Secretary of the Interior, for the purpose of determining the royalties due hereunder, may establish reasonable minimum values for the minerals mined, due consideration being given to the highest price paid for a part or a majority of the production of minerals of like quality produced from the same general area, the price received by the lessee, posted prices, and other relevant matters.

(d) Minimum Royalty. If there is no production or if royalties under subsection (c) of this section total less than $678.00 in any lease year, to pay the lessor a sum equal to the difference between such royalties and $678.00, such minimum royalty obligation to become effective the first lease year commencing after production begins, and to be payable within 30 days following the end of the lease year for which due. Lessor may, in its discretion, suspend the minimum royalty requirement when production is interrupted or suspended as provided in subsection (a).

(e) Bond. To furnish and maintain a bond in the sum of $1,000.00 conditioned upon compliance with the terms and conditions of this lease.

(f) Statement. To furnish for each month or such other period as may be designated by the District Mining Supervisor of the Geological Survey,* statements in detail, in such form as may be

* 509 South Third Street, McAlester, Oklahoma

prescribed by him, 1/ of the amount and value of output from the leasehold during such period for use in determining royalties, such statements to be furnished within 30 days from the close of the month or period so designated. Falsification of such statements shall be grounds for cancellation of the lease. 2/

(g) Inspection. To permit at all reasonable times: (1) inspection by any duly authorized officer of the supervising agencies, of the leased premises and all surface and underground improvements, works, machinery, equipment, and all books and records pertaining to operations and surveys or investigations under this lease; and (2) the lessor to make copies of and extracts from any or all books and records pertaining to operations under this lease.

(h) Maps - Reports. To furnish in duplicate to the District Mining Supervisor, at such times as he may require, a plat in the manner and form prescribed by him 1/ showing prospecting and development work and improvements on the lease land and other related information, with a report as to all buildings, structures, and other works or equipment, situated elsewhere and owned or operated in conjunction with, or as a part of the operations conducted hereunder.

(i) Operations. To conduct operations in compliance with all Federal and State laws and the operating regulations of the Department of the Interior (30 CFR, Chap. II, Part 231), which are made a part hereof, and to exercise reasonable diligence, skill and care in the operation of the property, and to carry on all operations in accordance with approved methods and practices, having due regard for the prevention of damage to mineral deposits, water horizons and property, injury to life and health, and economic waste.

(j) Taxes. To pay when due all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, output of mines, and other rights, property and assets of the lessee.

(k) Deliver Premises. To deliver up to the lessor in good order and condition and subject to the provisions of Section 9 hereof on the termination of this lease as a result of forfeiture thereof the lands covered thereby, including all underground timbering and such other supports and structures as are necessary for the preservation of the mine.

(l) Assignment. Not to assign this lease, or any interest therein, whether by direct assignment, operating agreement, working or royalty interest, or otherwise, nor sublet any portion of the leased premises, except with the approval in writing of the lessor. All such assignments or subleases must be submitted in triplicate within 90 days from the date of execution and must contain all of the terms and conditions agreed upon by the parties thereto. No overriding royalties or payments out of production shall be created which would exceed 1/2 the royalties payable under this lease to the lessor. An assignment of all or part of the record title to a portion of the acreage in the lease shall separate the lease into separate leaseholds and the terms hereof shall apply separately to the segregated portions. Advance annual rental payments if previously terminated shall be resumed as to an undeveloped segregated portion on the next anniversary date of the lease, the minimum royalty payment herein specified shall apply separately to the segregated portions and the time allowed within which to commence operations on an undeveloped segregated portion shall be such reasonable period as shall be prescribed by the lessor at the time the assignment is approved.

(m) Non-discrimination. Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(n) Payments. To make all payments to the lessor under this section as directed, such payments to be made to the order of the Treasurer of the United States.

SECTION 3. In further consideration of the foregoing, the lessee also agrees:

(a) Protection of Property. To conduct all operations authorized by this lease with due regard for good land management; not to cut or destroy timber without first obtaining permission from the authorized representative of the Secretary of Agriculture, and to pay for all such timber cut or destroyed at rates prescribed by such representative; to avoid unnecessary damage to improvements, timber, crops, or other cover; whenever practicable, to control soil erosion resulting from the operation; to prevent pollution of soil and water resources; unless otherwise authorized by the representative of the Secretary of Agriculture, not to carry on operations, make excavations, construct tunnels, drill, or otherwise disturb the surface of the leased land within 200 feet of any building standing on the leased land; whenever required in writing by the authorized representative of the Secretary of Agriculture, to fence all sump holes and other excavations made by lessee.

(b) Forest, Brush and Grass Fire Precautions. To do all in his power to prevent and suppress forest, brush and grass fires on the leased land and in its vicinity, and to require his employees, contractors, subcontractors, and employees of contractors or subcontractors to do likewise. Unless prevented by circumstances over which he has no control, the lessee shall place his employees, contractors, subcontractors, and employees of contractors and subcontractors employed on the leased land at the disposal of any authorized officer of the Department of Agriculture

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1/ All forms herein required are subject to approval by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

2/ 18 U.S.C. sec. 1001 makes it a crime for any person knowingly and wilfully to submit or cause to be submitted to any agency of the United States any false or fraudulent statement as to any matter within its jurisdiction.

for the purpose of fighting forest, brush, or grass fires, with the understanding that payment for such services shall be made at rates to be determined by the authorized representative of the Secretary of Agriculture, which rates shall not be less than the current rates of pay prevailing in the vicinity for services of a similar character; except that if the lessee, his employees, contractors, subcontractors, or employees of contractors or subcontractors caused or could have prevented the origin or spread of said fire or fires, no payment shall be made for services so rendered.

During periods of serious fire danger to forest, brush, or grass, as may be specified by the authorized representative of the Secretary of Agriculture, the lessee shall prohibit smoking and the building of camp and lunch fires by his employees, contractors, subcontractors, and employees of contractors or subcontractors, within the leased area except at established camps, and shall enforce this prohibition by all means within his power. However, the authorized representative of the Secretary of Agriculture may designate safe places where, after all inflammable material has been cleared away, camp fires may be built for the purpose of heating lunches and where, at the option of the lessee, smoking may be permitted.

The lessee shall not burn rubbish, trash, or other inflammable material except with the consent of the authorized representative of the Secretary of Agriculture and shall not use explosives in such manner as to scatter inflammable materials on the surface of the land during the forest, brush or grass fire season, except as authorized to do so or on areas approved by such representative.

The lessee shall build or construct such fire lines or do such clearing on the leased land as the authorized representative of the Secretary of Agriculture decides is necessary for forest, brush, and grass fire prevention and shall maintain such fire tools at his headquarters on the leased land as are deemed necessary by such representative.

(c) Damage to Property. To pay the lessor or its tenant, as the case may be, for any and all damage to or destruction of property caused by the lessee's operations hereunder; to save and hold the lessor or its tenant harmless from all damage or claims for damage to persons or property resulting from the lessee's operations under this lease; and where the surface of the leased land is owned by other than the lessor, to pay such owner, or his tenant, as the case may be, for damage or injury to livestock, crops, trees, pipe lines, buildings, and other improvements on the leased land.

(d) Restoration of Surface of Land. Upon any partial or total relinquishment, cancellation or expiration of this lease, as to that part of the leased land as to which the lessee's rights have terminated and to the extent deemed necessary by the authorized representative of the Secretary of Agriculture, to fill all sump holes, ditches and other excavations, remove or cover all debris, and, so far as reasonably possible, restore the surface of the leased land to its former condition, including the removal of structures as and if required.

(e) Department of Agriculture Regulations. To comply with all the rules and regulations of the Secretary of Agriculture governing the national forests or other lands under his jurisdiction which are embraced in this lease.

(f) Special Stipulations.

X

X

X

X

X

X

X

(g) Appropriate Agency Official. To address all matters relating to this section to Supervisor, Cherokee National Forest at Cleveland, Tennessee, who is the authorized representative of the Secretary of Agriculture, or to such other representative as may, from time to time, be designated provided that such designation shall be in writing and be delivered to the lessee or his agent as provided by Section 4 hereof.

SECTION 4. Lessee-Agent. Prior to the beginning of operations the lessee shall appoint and maintain at all times during the term of this lease a local agent upon whom may be served written orders or notices respecting matters contained in this lease, and shall inform the authorized representative of the Secretary of Agriculture, and the District Mining Supervisor of the United States Geological Survey, in writing, of the name and address of such agent. If a substitute agent is appointed, the lessee shall immediately so inform the said representatives.

SECTION 5. Renewal of Lease. If, upon the expiration of this lease, the issuance for an ensuing period of a lease of similar character is determined to be in the public interest, and all of the terms hereof have been satisfactorily complied with, and the lessee is then qualified, he shall be accorded a preference in the issuance of said ensuing lease upon such reasonable terms and considerations as may be prescribed by the Secretary of the Interior, unless otherwise provided by law. The exercise of such preference right shall be in accordance with regulations prescribed by the Secretary of the Interior.

SECTION 6. The lessor expressly reserves:

(a) Rights Reserved. The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the land leased, occupied, or used as may be necessary or appropriate to the working of the same or other lands, and the preparation and shipment of the products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Monopoly and Fair Prices. Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interest of the United States, to prevent monopoly, and to safeguard the public welfare.

(c) Fissionable materials. All fissionable source materials, together with the right, at any and all times, to enter upon the lands and prospect for, mine and remove such materials, pursuant to Executive Order No. 9908 (12 F. R. 8223).

(d) Waiver of Conditions. The right to waive any breach of the covenants and conditions contained herein, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular cause of forfeiture prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

SECTION 7. It is mutually agreed:

(a) Strip Mining. That this lease does not authorize mining or removal of minerals by stripping or contour mining unless otherwise specifically authorized herein.

(b) Reduction or Smelting of Ores. That the reduction or smelting of ores on the leased land is expressly prohibited in the absence of an agreement between the lessee and the designated representative of the Secretary of Agriculture authorizing such use of the surface of the land and providing for the necessary protection of life and property. Such agreement shall contain all of the terms and conditions under which the reduction or smelting of ores may be carried on and any violation of that agreement shall be considered a violation of the terms of this lease for the purpose of Section 9.

(c) Uses and Disposition of Surface. That the leased land shall be subject at all times to any other lawful uses or sale by the United States, its lessees, permittees, licensees, and assigns; provided that such uses or sale shall not prevent, obstruct, or unduly interfere with any privilege granted under this lease.

(d) Granting Leases for Other Minerals. That the granting of this lease will not preclude the issuance of other leases of the same land for the mining of other minerals with suitable stipulations as to joint operations, in order that full development of the mineral resources may be obtained.

SECTION 8. Relinquishment of Lease. Upon payment of all rentals, royalties and other debts due and payable to the lessor and upon payment of all wages or moneys due and payable to the workmen employed by the lessee, the lessee may, upon a satisfactory showing that the public interest will not be impaired, surrender all or any subdivision or subdivisions of the area included in the lease. In no case will the lease be terminated in whole or in part until and unless the lessee shall have made provision for the preservation of any mines and mineral deposits or productive works or permanent improvements on the lands covered thereby and complied with Section 3(d) hereof. A surrender must be by a relinquishment filed, in triplicate, with the Director, Bureau of Land Management. A relinquishment upon its approval shall take effect as of the date it is filed.

SECTION 9. Removal of Equipment, etc., on Termination of Lease. On termination of this lease, by surrender, forfeiture, or otherwise the lessee shall have the privilege at any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools and materials, other than underground timbering placed by the lessee in or on the leased lands, which are not necessary for the preservation of the mine. Any materials, tools, appliances, machinery, structures and equipment, subject to removal as above provided, which are allowed to remain on the leased land shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted by the lessor, but the lessee shall remove any or all of such property when so directed by the lessor.

SECTION 10. Proceedings in case of default. If the lessee does not comply with the applicable regulations made a part hereof or the terms of this lease and such default continues for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Director, Bureau of Land Management. However, if production has commenced on the

lease, it may be canceled only by appropriate proceedings in a court of competent jurisdiction; but this provision does not apply to leases issued for a period of five years or less which may be canceled in the manner stated above. Furthermore, if the lessee fails to take prompt and necessary steps to prevent loss or damage to the mine, property, or premises, or danger to the employees, the lessor may enter on the premises and take such measures as may be deemed necessary to prevent such loss or damage or to correct the dangerous or unsafe condition of the mine or works thereof, which shall be at the expense of the lessee, but the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

SECTION 11. Heirs and successors-in-interest. It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SECTION 12. Unlawful Interests. It is also further agreed that no Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior or of the Department of Agriculture shall be admitted to any share or part of this lease, or derive any benefit that may arise therefrom, and the provisions of Section 3741 of the Revised Statutes, as amended, and 18 U.S.C. 431, 432, and 433, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

OCT 1 7 1952

By O. R. Dunklin

~~Chief, Division of Adjudication, for the~~

For the Director, Bureau of Land Management:

Acting Chief, Division of Minerals

WITNESSES TO SIGNATURE OF LESSEE

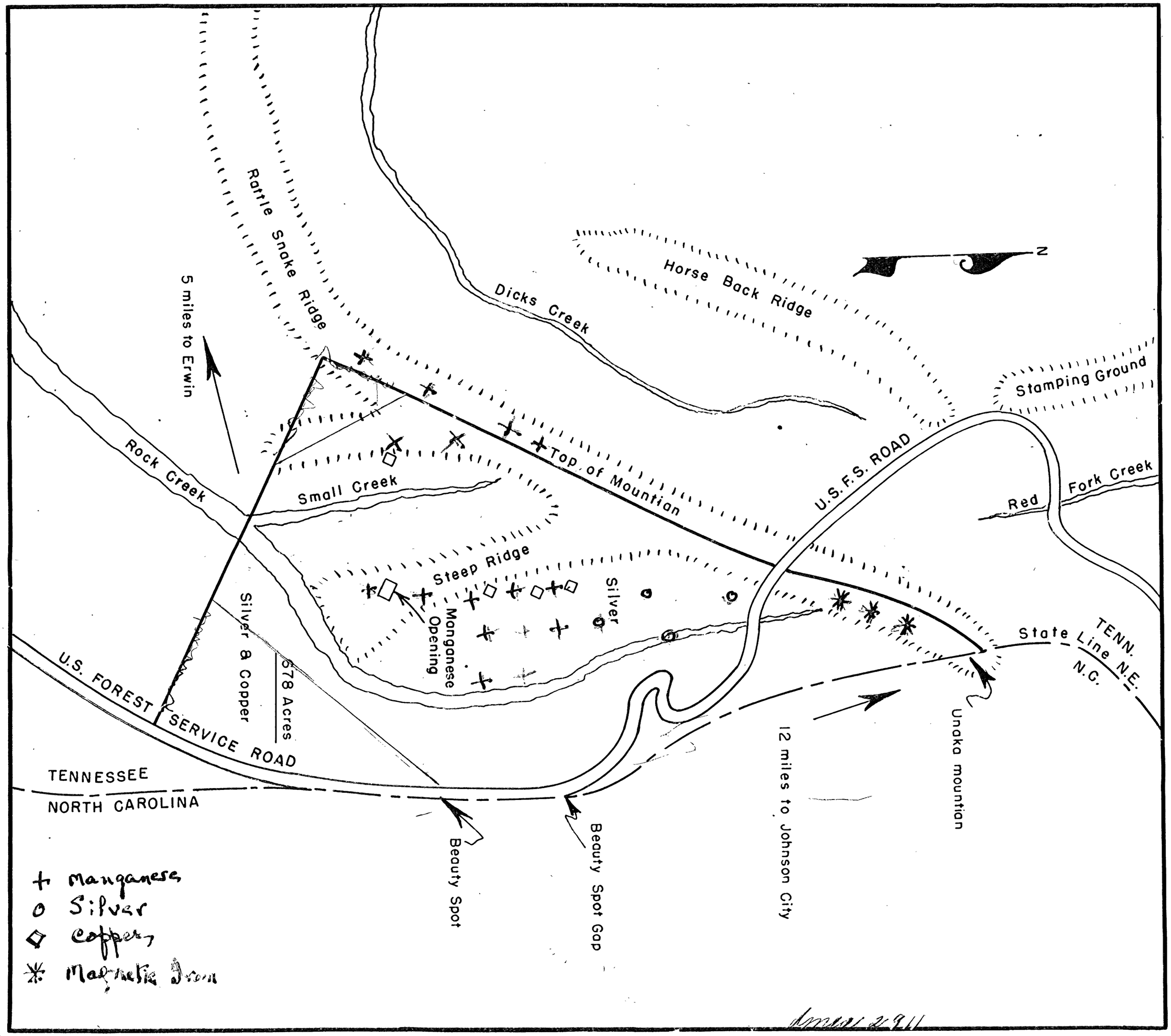
Helen A. Baker

H. R. Phillips

Lessee.

(The reporting requirements contained in this lease have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. If this lease is executed by a corporation, it must bear the corporate seal.)

DWCA 2911


Rattle Snake Ridge
5 miles to Erwin
Dicks Creek
Horse Back Ridge
N
Stamping Ground
Rock Creek
Small Creek
Top of Mountian
U.S.F.S. ROAD
Red
Fork Creek
Steep Ridge
Silver
Manganese Opening
Silver & Copper
578 Acres
TENN.
State Line N.E.
N.C.
U.S. FOREST SERVICE ROAD
TENNESSEE
NORTH CAROLINA
Beauty Spot
Beauty Spot Gap
12 miles to Johnson City
Unaka mountian
+ manganese
o Silver
◇ copper
✳ Magnetic Iron