DMEA 3251

DOCKET INDEX

ACTION DOCUMENTS

1	APPLICATION	DATE RECEIVED	2/15/54
2	CONTRACT	DATE	5/3/54
3	TERMINATION AGREEMENT	DATE	11/10/54
4	CERTIFICATION	DATE	
5	AUDIT REPORT	DATE	
6	AMENDMENTS - NUMBERS	DATE	

Docket copy

Defense Minerals Administration
FILED
NOV 22 1954

TERMINATION AGREEMENT

It is agreed this 10th day of November, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"), and C. E. Smith (hereinafter called the "Operator"), parties to that certain Exploration Project Contract Idm-E669, Docket No. DMEA-3251, dated May 3, 1954 (hereinafter called the "Contract"), that:

1. Effective OCT 14 1954, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By O O Mittendorf
Administrator, Defense Minerals
Exploration Administration

Hoffman
Chandler
Robt Selfridge

C. E. SMITH

C E Smith

MF-200 (A)
(February 1952)

DOCKET NO. DMEA - 3251

COMMODITY Mica

IDM-E-DM - 669

Defense Minerals Administration
RECEIVED
MAY 13 1954

Docket copy

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 3 day of May, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] C. E. Smith
P. O. Box 261
Montgomery, Alabama

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II attached hereto and made a part hereof.

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Alabama, County of Randolph, described as ~~follows~~:[3] set forth in Annex I

the Operator represents and undertakes:[4]

(*a*) [redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for[5] Mica

in or upon the described land; and shall bring the project to completion within a period of six months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $5,062.50, which is 75 percent of $6,750.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. **See Annex II, substituted for Article 6.**

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* **None**

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

C. E. SMITH
(Operator)

By C. E. Smith

By C. O. Mitteudorf
Administrator, Defense Minerals Exploration Administration

Hoffman
Hook
Talbert

I, _____, certify that I am the _____ secretary of the corporation named as Operator herein; that _____, who signed this contract on behalf of the Operator, was then _____ of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
C. E. SMITH
DOCKET NO. DMRA-3251

ANNEX I

The land referred to in Article 2 of the contract form is known as the Pate Prospect and was leased for mining purposes to C. E. Smith for a period of five years by W. N. Pate and Rockie Pate, by an instrument dated October 13, 1953, and recorded in Deed Record 63, Page 59, official records of Randolph County, Alabama. It is located about eight miles east of Lineville, Randolph County, Alabama, and is described as follows:

> Starting at a point on the West side of the forty line, three hundred feet North from the Southwest corner of the NE¼ of the SE¼, Section 29, Township 19, Range 16, Randolph County, Alabama - thence East 350 feet; thence North 600 feet; thence West 350 feet to forty line; thence South along said forty line 600 feet to starting point, containing five acres, more or less.

RECEIVED
1 3 1954

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Royalty on production.--The Operator, as principal, if the Operator is the producer, or as surety, if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, for a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

c. Basis for computation.--The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight paid by the buyer to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the

Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the raw ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

d. Unsold production.--If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

e. Percentages of royalty.--The percentages of the Government's royalty shall be as follows:

> One and one-half ($1\frac{1}{2}$) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half ($\frac{1}{2}$) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.
>
> (For instance: the royalty on an amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on an amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

f. Lien for payment.--To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

g. Notice to purchasers.--The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

h. No obligation to produce.--Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

i. Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

EXPLORATION PROJECT CONTRACT
C. E. SMITH
DOCKET NO. DMEA-3251

EXHIBIT "A"

Description of the Work

Explore the north extension of two parallel pegmatites by a three-stage program.

Stage I shall consist of two trenches, each approximately 75 feet long by 12 feet wide and 4 feet deep, perpendicular to the projected strike of the pegmatites as shown on the attached sketch entitled "Sketch of Pate Prop. Randolph Co., Ala. DMEA-3251 (sica)."

Stage II - Should Stage I, in the opinion of the Government, give favorable geological information, after approval by the Government sink a 40-foot deep shaft in the pegmatite.

Stage III - If pegmatite, in the opinion of the Government, continues in the shaft, after approval by the Government drive 120 feet of drift in the pegmatite and 40 feet of crosscut.

The shaft , drifts, and crosscuts shall be 5 feet by 7 feet in the clear and timbered where necessary.

The location, direction, and extent of all work is subject to the approval of the Government.

Agreed Unit Costs

Trenching - 267.86 cu. yds. @ $0.56/cu. yd.	$ 150.00
Shaft sinking - 40 feet @ $45/ft.	1,800.00
Drifting - 120 feet @ $30/ft.	3,600.00
Crosscutting - 40 feet @ $30/ft.	1,200.00
Agreed Estimated Total Cost of Project	$6,750.00
Government Participation @ 75%	$5,062.50

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as ~~owner~~, ~~co-owner~~, lessor, ~~or seller~~ has an interest in certain

property in the State of Alabama, County of Randolph, described as in a lease, as follows: Approximately five acres more or less. Starting at a point followed on the East side of the forty line, three hundred feet North from the South-west corner of the [illegible] of the [illegible], Section [illegible], Township 1[illegible], Range 10, Randolph County, Alabama- thence East 350 feet; thence North 600 feet; thence West 350 feet to forty line; thence along said forty line 600 feet to starting point, containing five acres, more or less.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Charles E. Smith (C. E. Smith)

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 6th day of April, 1954.

W. M Pate [Seal]

Beulah Pate [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated 12-13-53, and recorded in book 62 page 69 official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3251

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

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.

Cys to USBM and USGS

Routing Slip

To:	600	Date	2/15/54
To:	Oper Com	Date	3-1-54
To:	WC Anderson	Date	3-9-54
To:	600	Date	3-16
To:	Oper Com	Date	4-30-54
To:	Oper Com	Date	11-9-54
To:		Date	
To:		Date	
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

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

Project Summary Report

By: Walter C. Anderson WCA March 8, 1955

1. Docket No. DMEA-3251 - Mica
Contract No. Idm-E669
Pate Prospect
Randolph County, Alabama

Operator: C. E. Smith
P. O. Box 261
Montgomery, Alabama

Application: Form MF-103 (April, 1952) received February 15, 1954.
Work proposed: Sink a shaft 100 feet deep and drive drifts, footage not stated.
Amount requested; $12,300.00

Operator's property rights:
Lease for 5 years, dated October 13, 1953.
Owner's Consent to Lien, dated April ~~6~~ 8, 1954.

2. Contract: Form MF-200(A) (Feb. 1952), dated May 3, 1954.

Work authorized:

Trenching 267.86 Cubic yards @ $0.56/c.yd.	$150.00
Shaft sinking 40 feet @ $45.00/ft.	1,800.00
Drifting 120 feet @ $30.00/ft.	3,600.00
Crosscutting 40 feet @ $30.00/ft.	1,200.00
Estimated cost of project	$6,750.00
Government participation @ 75%	$5,062.50

Amendments: none

Work completed:

Trenching	$150.00
40 feet of shaft @ $45.00/ft.	1,800.00
35 feet of crosscutting @ $35.00/ft.	1,050.00
Total accepted cost	$3,000.00
Government participation @ 75%	$2,250.00

Work began May 17, 1954, and was completed September 30, 1954. Contract was terminated by agreement on November 10, 1954. No mica produced during project. Field Team Final Report received December 9, 1954. Operator's Final Report received December 9, 1954.

3. Audit: Report of Review issued December 1, 1954. (no exceptions)

Accepted cost	$3,000.00
Government participation	$2,250.00

4. Certification of discovery - none issued.

5. Comments:

How conducted: In an unsatisfactory manner. Not according to standard mining practice. Equipment was crude. Safety regulations not followed.

Operation: Poor

Engineering: Reporting was acceptable.

Geological premise: The premise that surface indications warranted exploration did not materialize since two vertical pegmatites emplaced along joints bottomed above the level of the crosscuts. Therefore the Contract was terminated before completion.

Geological criteria upon which work was based:

1. Two parallel nearly vertical pegmatites:
   (a) 10 feet thick with 3-foot quartz core.
   (b) 8 feet thick with 2-foot quartz core.
2. Contacts are gradual with enclosing rock, which is a coarse biotite granite.
3. Mica books up to 8 inches across.
4. Flat ruby mica, clear and hard.

Criteria developed during project: Neither shaft sunk midway between two exposed pegmatites nor crosscuts driven toward postulated extensions of pegmatites encountered pegmatite.

Future possibilities: none

Recommendations: The Nonmetallic Minerals Division concurs in field team's recommendation that the project should not be certified and that additional exploration is not justified. The Geological Survey and Bureau of Mines agree. This is another project which illustrates the need for staying with the pegmatite to avoid blind prospecting.

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 20 1955

January 19, 1955

Re: DMEA-3251
Pate Prospect
Randolph Co., Ala.
$3,000 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Final Field Team report

The Field Team has recommended that the results of DMEA work do not justify a certification of discovery.

Trenching, shaft sinking and drifting were completed without finding significant amounts of mica. Pegmatites at surface are either flat or gently plunge northward, thus all of the underground work was in non-pegmatite material. Further exploration of these narrow, shallow pegmatites is not justified.

A certificate of discovery is not warranted.

E L Newcomb
E. L. Newcomb

DOCKET COPY
Surname:
Anderson
Houk
Chambers
Lodge

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

600

MAR 11 1955

Mr. C. E. Smith
P. O. Box 261
Montgomery, Alabama

Re: Docket No. DMEA-3251 - Mica
C. E. Smith
Pate Prospect
Randolph County, Alabama
Contract No. Idm-8669

Dear Mr. Smith:

This is with reference to the subject Exploration Contract between you and the Government.

It is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to the provisions of the Contract which require the Operator to keep and preserve certain records for the period indicated.

We regret that the exploration work performed did not result in a certification of discovery or development. Your participation in the exploration program, however, is sincerely appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:ad 3/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Chambers
Mr. Houk
Mr. W. M. Pate (attached to field team copies for forwarding)
Mrs. Beckie Pate (attached to field team copies for forwarding)

R.C.B.

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1954

December 27, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3251 (mica)

Applicant: C. E. Smith

Name and Location of Property: Pate Prospect
Randolph County, Alabama

Contract Number: Idm-E 669

Date of Field Team's Final Report: December 7, 1954

Date Rec'd. by Ceram. & Fert. Mat. Br.: December 14, 1954

Field Team Recommendation:

1. No certification.

Comments:

1. No pegmatite dike was encountered.

2. Expenditures -

Total approved	-	$6,750
Total cost	-	3,000
Gov't. share	-	2,250
Value of production during operation	-	None

Recommendation:

I concur in the field team's recommendation to deny certification.

Donald R. Irving

Donald R. Irving

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

COPY

December 7, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Field Team and Operators Reports:
DMEA-3251, Idm-E 669 (mica)
DMEA-3285, Idm-E 682 (mica)

Enclosed are four copies each of the Field Team and Operator's final report on the subject exploration contracts.

We agree, in both cases, with the recommendation that certification should not be issued.

/s/ Robert A. Laurence

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

RAL/zm
cc:
Beck
Lynch
Files

Reviewed by
DMEA OPERATING COMMITTEE
12-13-54
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
On

DMEA-3251, PATE PROSPECT
Idm-E 669 (mica)
Randolph County, Ala.

BY

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey
and
James F. O'Neill, Mining Engineer
U. S. Bureau of Mines

December 7, 1954

Reviewed by
DMEA OPERATING COMMITTEE
12-13-54
(date)

FINAL REPORT
On
DMEA-3251, PATE PROSPECT (mica)
Idm-E 669

Operator : C. E. Smith, P.O. Box 261, Montgomery, Alabama

Location: Eight miles east of Linesville, Randolph County, Alabama., in SE 1/4; SE 1/4. Sec. 29, T.19S., R 10E.

Work completed under the contract consisted of bulldozing two trenches, sinking a 40-foot shaft and driving 35 feet of laterals from the 38-foot level of the shaft. The pegmatite exposed in the surface cuts does not extend down to the 38-foot level. No mica of strategic quality was discovered by the work performed; thus, no certification of discovery should be issued. Additional exploratory work is not warranted.

Work began on this contract May 17, 1954 and was completed Sept. 30, 1954. Two trenches each about 75' x 12' x 4' deep were bulldozed north of the existing cuts (see attached sketch). A 40-foot 5' x 7' vertical shaft was sunk from the bottom of the southernmost existing cut. From the 38-foot level of this shaft a total of 35 feet of laterals were driven; 20 feet in a S. 55° W., direction and 15 feet to the east.

The shaft is collared in weathered fine-grained granite. At about the 16-foot level the granite bottomed, with the bottom dipping at a low angle to the southwest. Below the granite a 15-foot zone of graphitic-mica schist was encountered which contained a few 1-inch stringers of coarse granite. From the 30-foot level to the shaft bottom and in both crosscuts a fresh fine-grained dark gray granite gneiss was encountered. This rock contains much sulphides, but no mica. It strikes N. 25° E. and dips from 25° to 60° SE.

No pegmatite was encountered. Prominent joints are evident in both crosscuts. These strike parallel to the pegmatites which are exposed at the surface and have vertical dip. Apparently both pegmatites are emplaced along joints and bottoms above the level of the crosscuts.

No certification should be issued on this project and no additional work is justified.

Expenditures:	(a)	Total approved	$6,750.00
	(b)	Total cost of project	3,000.00
	(c)	Government's share of cost	2,250.00
	(d)	Government's share unexpended	2,812.50
	(e)	Value of production during opr.	None

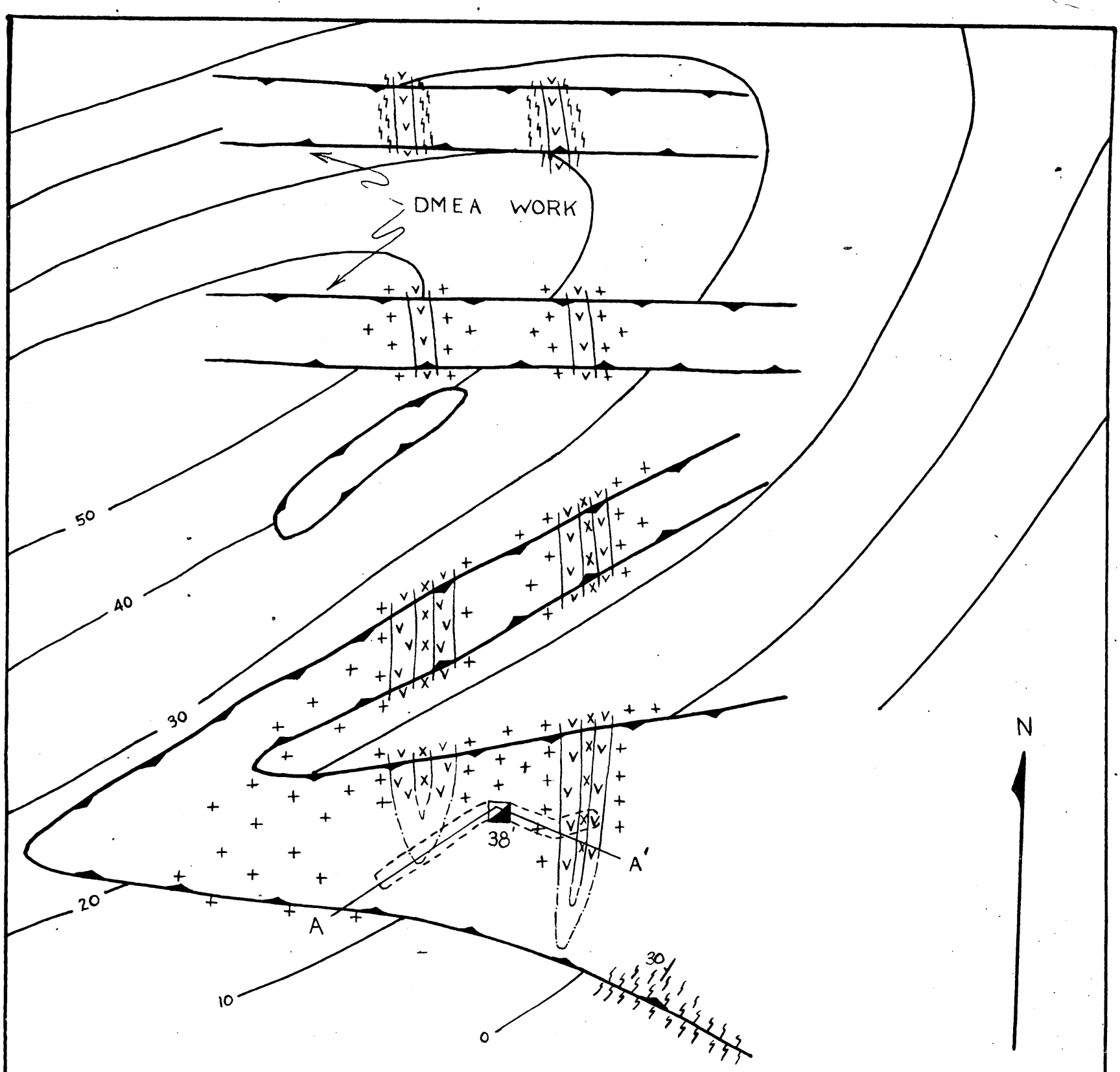
The project was conducted in an unsatisfactory manner.

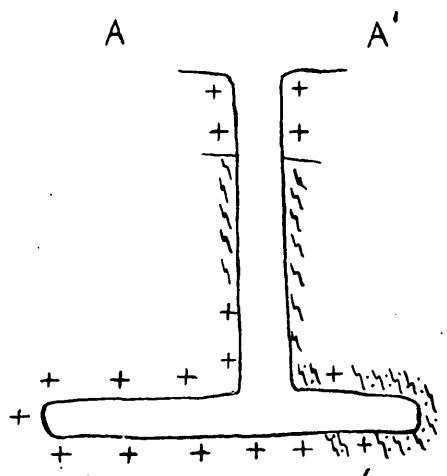
December 7, 1954.

J. E. O'Neill, Mining Engineer
U. S. Bureau of Mines

K. H. Teague and D. H. Amos, Geologists
U. S. Geological Survey

z





SECTION A-A'

V V PEGMATITE

X X QUARTZ

+ + GRANITE & GRANITE GNEISS

MICA SCHIST

GRAPHITIC SCHIST

0 20' 40'

SCALE

SKETCH OF

PATE PROS.

RANDOLPH CO., ALA.

DMEA-3251 (mica)

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

ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.

December 7, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Final Field Team and Operators Reports :
DMEA-3251, Idm-E 669 (mica)
DMEA-3285, Idm-E 682 (mica)

Enclosed are four copies each of the Field Team and Operators final report on the subject exploration contracts.

We agree, in both cases, with the recommendation that certification should not be issued.

Robert A. Laurence

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

RAL/km
cc:
Beck
Lynch
Files

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 6 1954

OPERATORS MONTHLY REPORT OF PROGRESS
FOR THE MONTH OF OCTOBER, 1954
C. E. Smith, (Pate Property)

IDMA-3251
Idm-669

FINAL REPORT

There has been no unit progress made since the close of September, 1954, which shows the following:

Sinking Shaft.....	40 feet...	$1800.00
Crosscuting.....	35 feet..	$1050.00
Stripping 267.86 Cu. Yd		$ 150.00

Work was discontinued on October 4, 1954 at twelve oclock noon, when the only drill we had was broken, and it was decided that it would be unwise to make a trip to Birmingham for an other drill, since we only liked about five feet of crosscuting on the east side of the shaft and with no indication of mica.

Therefore, as operator of the project, I consider it useless to continue the operation and now wish to abandon the project- and as there has been no further unit costs since the rendering of my September report, it is not necessary that I make any other claim.

I certify that the above is correct.

October 20, 1954.

C. E. Smith
Operator.

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
DEC 9 1954

OPERATORS MONTHLY REPORT OF PROGRESS
FOR THE MONTH OF OCTOBER, 1954
C. E. Smith, (Pate Property)

IDMA-3251
Idm-669

FINAL REPORT

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Therefore, as operator of the project, I consider it useless to continue the operation and now wish to abandon the project- and as there has been no further unit costs since the rendering of my September report, it is not necessary that I make any other claim.

I certify that the above is correct.

October 20, 1954.

C E Smith
Operator.

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
RECEIVED
DEC 9 1954

OPERATORS MONTHLY REPORT OF PROGRESS
FOR THE MONTH OF OCTOBER, 1954
C. E. SMITH (Pate Property)

IDMA-3251
Im- 669

FINAL REPORT

There has been no unit progress made since the close of September, 1954, which shows the following:

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Crosscuting.....	35 feet	$1050.00
Stripping 267.86 Cu. Yd		$ 150.00

Work was discontined on October 4, 1954 at twelve oclock noon, when the only drill we had was broken, and it was decided that it would be unwise to make a trip to Birmingham for an other drill, since we only liked about five feet of crosscut on the east side of the shaft and with no indication of any mica.

Therefore, as operator of the project, I consider it useless to continue the operation and now wish to abandon the project- and as there has been no further unit costs since the rendering of my September report, it is not necessary that I make any other claim.

I certify that the above is correct.

October 20, 1954.

C. E. Smith
Operator.

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

Received
NOV 22 1954

November 18, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII - Knoxville, Tenn.

Subject: Termination Agreements

Transmitted are three signed copies each of the following:

Idm-E 669, DMEA-3251, C. E. Smith, Georgia (mica)

Idm-E 658, DMEA-3212, Joe C. Vance, North Carolina (mica)

The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:
Houk
Chandler
Selfridge

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

NOV 1 0 1954

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

Subject: Docket No. DMEA-3251 - Miss C. E. Smith
Fate Property
Randolph County, Alabama
Contract No. Idm-E669

Dear Mr. Laurence:

Reference is made to the Field Team's Interim Report of October 14, 1954, recommending termination of the subject contract by mutual agreement.

We concur in this recommendation and are transmitting herewith the original and five copies of a termination agreement which have been signed by the Government. If the agreement meets with your approval present it to the Operator for approval and signature. Please fill in the effective date which is the date agreed upon between the Field Team and the Operator.

After execution of the agreement, the copies are to be distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

J. H. Hedges (GCS)
Member, Bureau of Mines

E. L. Newcomb (GCS)
Member, Geological Survey

Enclosures 6

WCAnderson:gad 11/4/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.G.S.

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

Defense Minerals Administration
RECEIVED
OCT 18 1954

October 15, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3251, Idm-E 669 (mica) Pate Prospect.
C. E. Smith, Operator, Randolph County, Alabama

Transmitted is an interim report on the subject contract. As there is no possibility of making a worthwhile discovery, we request permission to terminate by Mutual Agreement. The field team does not plan to recommend certification.

Of the work outlined in the contract, 5 feet of crosscutting and 120 feet of drifting remain to be done.

Robert A. Laurence
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

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

Division of
Domestic Minerals
RECEIVED
OCT 18 1954

INTERIM REPORT
On
DMEA-3251, Idm-E669, PATE PROSPECT (mica)

Location: Eight miles East of Lineville, Randolph County, Alabama

Work completed under this contract consisted of sinking a 40-foot shaft and driving 35 feet of crosscut from the shaft, 15 feet to the east and 20 feet S. 55° W. from the shaft. None of the crosscut exposed pegmatite.

In the upper portion of the shaft weathered granite was encountered. It bottoms in unweathered granite gneiss. The crosscut to the northeast encounters granite gneiss for the first 7 feet and the remaining 8 feet is in graphitic mica gneiss. The southwest crosscut is entirely in unweathered granite gneiss. Both crosscuts are normal to a prominent joint system, along which both pegmatites at the surface seem to be emplaced.

Sufficient work was done in both crosscuts to intersect the pegmatites if they continue to depth. Obviously they both bottom above the crosscuts. No additional work is justified on this project and termination by mutual consent is recommended, with no certification.

October 14, 1954.

K. H. Teague, Geologist
U. S. Geological Survey

Wm. A. Beck, and J. F. O'Neill, Mining Engineers
U. S. Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VII, SOUTHEASTERN
BOX L
UNIVERSITY, ALABAMA

FREIGHT ADDRESS:
TUSCALOOSA, ALABAMA

Bureau of Mines Administration
RECEIVED
SEP 29 1954

September 24, 1954

Interim Report

DMEA No. 3251 - Mica
Idm-E-669
Pate Mine
Location: Eight miles east of Lineville, Randolph County, Ala.
Date visited: September 23, 1954

The southwest cross cut was advanced 16 feet and a cross cut running N 65 E was advanced 11 feet from the 38-foot level.

Both cross cuts were in granite gneiss that contained disseminated sulfides, a few thin pegmatitic stringers.

The operator's brother requested that the contract be cancelled. He alleged that the work was costing them much more than they had expected and that work that was being done by them along the surface exposure of the dike indicated that it would not be economical to work any of it for the mica. A letter (copy attached) was received from the operator upon my return to the office from the field which confirms the request made by the brother.

The mineral showing made at this project appears to justify the operator's attitude and its cancellation, but the cross cutting has not been advanced enough to reach any definite conclusion that the dike pinched above the 38-foot level.

It was recommended that the cross cuts be advanced at least 40 feet as specified in the contract. The southwest cross cut to be terminated at 20 feet if the dike was not intersected and the northeast heading be advanced 20 feet or to the dike if intersected.

Progress at this project has been slow because of the lack of adequate labor, the inability to get delay blasting detonators and other material, and tough ground.

J. F. O'Neill, Mining Engineer
Mining Development Branch
Mining Division, Region VII

Attachment
JFO'Neill:al
cc: R. A. Laurence, orig + 5
Regional Dir., Reg. VII
J. F. O'Neill
Day File
File

INTERIM REPORT

On

DMEA-3251, Idm-E 669, Pate Property
(mica)

Operator: C. E. Smith, P.O. Box 261, Montgomery, Alabama

Location: Eight miles east of Lineville, Ala., Randolph County.

Shaft sinking at this deposit has been completed (40 ft.), and a crosscut has been turned off to the southwest at the 38-foot level. At the time of visit crosscut was at 5 feet. The crosscut is being driven S. 65° W. in granite gneiss which contains much dissirinated sulphides.

The Operator was instructed to turn the crosscut to about S. 30° W., and continue driving. Also, he was instructed to stop burning paper in the shaft in order to remove powder fumes.

Progress on this project during the last two weeks has been slow because of the scarecity of labor.

Sept. 2, 1954

K. H. Teague, Geologist
U. S. Geological Survey

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VII, SOUTHEASTERN
BOX L
UNIVERSITY, ALABAMA

FREIGHT ADDRESS:
TUSCALOOSA, ALABAMA

August 12, 1954

Interim Report

DMEA No. 3251 - Mica
Idm-E-669
Pate Mine

Operator: C. E. Smith
Location: Eight miles east of Lineville, Randolph County, Ala.
Date examined: August 10, 1954

The shaft of this project is advanced 35 feet; progress is slow due to inefficient operation. A five-man crew is working at the project. The muck is being hoisted from the shaft with a wooden handled homemade windlass and a hemp rope. Large rocks are tied to the rope and hoisted without the use of a bucket.

The rock in the bottom is unaltered granite with quartz stringers. Drilling in it is slow, but it breaks good.

It was recommended: (1) That the windlass be replaced with a hoist in order to speed up the operation, (2) that if the windlass was used to replace the hemp rope with a steel cable, (3) to stop the unsafe practice of hoisting or lowering material in the shaft without the use of a bucket.

J. F. O'Neill
Mine Examination & Exploration Engineer
Mining Development Branch
Mining Division, Region VII

RECEIVED
AUG 16 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION VII, SOUTHEASTERN
BOX L
UNIVERSITY, ALABAMA

FREIGHT ADDRESS:
TUSCALOOSA, ALABAMA

August 4, 1954

Interim Report

DMEA No. 3251 - Mica
Idm-E-669
Pate Mine
Operator: C. E. Smith
Location: Eight miles east of Lineville, Ala.

The shaft at this project is advanced 29 feet. Unaltered schist and pegmatite stringers were encountered near the bottom of the shaft, both contained heavy impregnations of iron sulfides. A small flow of water was encountered at the 26-foot level near the bottom of the weathered zone.

Work has been temporarily suspended until the operator can locate equipment and a miner who is familiar with hard rock mining. They expect to reopen during the week of August 1.

They have installed a wooden-handle windlass, of poor construction, for hoisting purposes. It was recommended that the use of this unsafe piece of equipment be changed and replaced with an adequate hoist.

Progress at this project has been slow because of the lack of experience in mining by the operator and the scarcity of trained miners in the area.

J. F. O'Neill

J. F. O'Neill, Mining Engineer
Mining Development Branch
Mining Division, Region VII

JFO'Neill:al

cc: R. A. Laurence, original + 5
Regional Director, Region VII
J. F. O'Neill
Day File
File

Defense Intel
Ri...
MAY 21 1954

May 19, 1954

Mr. C. K. Smith
P.O. Box 261
Montgomery, Alabama

RE: DMEA-3251, Idm-E 669 (mica)
Pate Prospect - Alabama

Dear Mr. Smith:

This will confirm the verbal approval given you by Mr. Wm. A. Beck to begin Stage II of the subject exploration contract, and to locate the shaft at the site indicated by Mr. Beck.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region VII

RAL/mm
cc:
Beck - Lynch
Opp. Gen.
Div. File
Files

DEPARTMENT OF
Defense Minerals Administration
RECEIVED
MAY 14 1958

May 12, 1958

Mr. G. E. Smith
P.O. Box 241
Montgomery, Alabama

Re: MMA-3551, Lease 644 (sim)
Pale Prospect, Randolph County, Ala.

Dear Mr. Smith:

Reference is made to your letter of May 8 in which you asked whether the Government is going to discontinue the stockpiling of mica any time soon. Present regulations call for the buying program of strategic mica to continue until June 30, 1959 or until 15,000 short tons of hand cobbed mica is purchased. Thirty pounds of block or film mica shall be deemed to be (1) short ton of hand cobbed mica. At the present rate of buying it is not likely that this amount will be purchased by the closing date.

If you have not already done so, we would suggest that you write to the Regional Manager, General Services Administration, 50 Seventh St., N. E., Atlanta, Georgia, for the regulations on the Purchase Program for Strategic Mica. After reading these regulations you should write or wire GSA indicating that you wish to participate in one of the programs.

Kindly advise us if your earliest convenience what you intend to report to the questions. If possible we would like to have one of our men there when you do the bulldozing.

Very truly yours,

Robert A. Laurence,
EXECUTIVE OFFICER
DMEA REGION VII

RAL/ms
cc:
Bob
Ryskall
Files
Apr. Ltr.

INTERIM REPORT

DMEA-3251, Idm-R547 669 (mica) PATE PROSPECT

Operator: C. E. Smith, P.O. Box 261, Montgomery, Alabama

Location: About 8 miles east of Lineville, Randolph County, Alabama in SE 1/4, SE 1/4, Sec. 29, T. 19S., R10E.

Starting date on this project is May 17, 1954. The project was visited on that date while bulldozing of the two trenches set up in the contract was in progress. The two trenches were each over 100 feet long and were 12 feet wide, and from 2 to 6 feet deep, averaging 4 feet in depth. The pegmatites were shown in both trenches but had narrowed to three to four feet in thickness. Mica up to three inches was found in the first trench while that in the northern most trench was smaller. The country rock in the northern most trench is a mica schist while that in the first trench is badly weathered granite.

After the trenching was completed the bulldozer dug some more in the in the lower trench for drainage. In so doing it dug up some large books of mica in the western pegmatite that were as much as twelve inches across. This mica was badly ruled and mineral stained.

After observing the nature of the deposit, permission was granted to sink the 40 foot shaft. Shaft location was made about 12 feet from the upper bank of the southern most trench and midway between the two pegmatites.

A D-6 Caterpillar bulldozer was used to do the trenching. This was rented at $10.00 per hour and was in use for 10 hours. It is to be noted that the field examiners recommended that 15 hours of bulldozing be done at $10 per hour assuming that it would take that long to dig 150 linear feet of 12' x 4' trench. A good deal more than that amount of trenching was done in 10 hours. The contract called for the trenching to be done on a cubic yard basis or 267.86 cubic yards @ .56¢/cu.yd = $150.00

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

May 17, 1954

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

May 11, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region 7

Subject: Signed Contract. DMEA-3251, Idm-E 669. C. E. Smith (mica)

Transmitted herewith are three signed copies of the subject contract. The usual distribution of the other copies has been made.

We note that the identification number for the contract number is IBM, and the E is omitted. Is this correct?

Wm. A. Beck, Acting

Adams
Selfridge

MAY 13 1954

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

Dear Mr. Laurence:

This will acknowledge a memorandum dated May 11, 1954, from William A. Beck, Acting Executive Officer, Region VII, in which three copies of the signed contract Idm-E669, Docket No. DMEA-3251 on C. E. Smith were forwarded to this office.

Please be advised that the identification number of the contract should have read Idm-E669 rather than IBM-669.

Sincerely yours,

SIGNED

Chairman, Operating Committee

REAdams/la/5-13-54

Copy to: Adm. R. File
Mails & Files
Chron.

Contract

Lease W/2 SE/4 SE/4 Sec 29 T 19 N
E/2 SW/4 SE/4 R 10 W
~~40~~ 10 acres

owners consent : - limits area to 10 acres
[illegible] [illegible] same site

Letter to Smith

Lease contract dated 12 oct 1953 for 40 acres
tract
Owners consent is in Form 203 on Paragraph
4 states only leases surrounding and
including the subject property
and the minimum state Tracts on
W side of SE ¼ of SE ¼ of Sec 29 T19 R10
Randolph County Arkansas

Omer 3251-Mia

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 4/14/54

REFERRED TO:

1. 140
2.
3.
4.

FOR:

RECEIVED
APR 14 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to .....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: Draft of a Contract for pruning —

Check (X) before the items needing attention.

WRa

Initials of sender.

GPO 16—63815-1

MF-200 (A)
(February 1952)

Doc[redacted] No. DMEA 3251

Commodity Mica

Hold for answer to letter March 16

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
Apr. 14
~~MAR 12~~ 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2]

C E Smith
PO Box 261
Montgomery Ala

hereinafter called the "Operator," as follows: and as set forth in Annexes I & II attached hereto and made a part hereof.

Article 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

Article 2. *Operator's property rights.*—With respect to that certain land situated in the State of Alabama, County of Randolph, described as follows:[3] set forth in Annex I. ~~W/2 W/2 SE/4 of SE/4 and E/2 E/2 SW/4 SE/4 10 acres more or less (or) 10 acres more or less, as shown on attached map. Shall be in regular contract shape (10 acre tract (square))~~

the Operator represents and undertakes:[4]

(*a*) That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the Owner's Consent to Lien is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

Article 3. *Exploration project.*—The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for[5] mica

in or upon the described land; and shall bring the project to completion within a period of Six months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

Article 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 75 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $5062.30, which is 75% percent of $6750.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

Article 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* ----------

None

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By ----------

By ----------

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

---------- [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

Exploration Contract Project
C.E. Smith ~~and Associates~~
Docket No. OMER-3201

Annex I

The land referred to in Article 2 of the contract form is known as the Pate Prospect and was leased for mining purposes to C. E. Smith for a period of five years by W. M. Pate and Beckie Pate, by an instrument dated ~~January 21, 1954~~ Oct. 13, 1953 and recorded in Deed Record 63, page 89, official records of Randolph County, ~~North Carolina~~ Alabama. It is located about eight miles east of Lineville, Randolph County, Alabama and is described as follows:

Starting at a point on the West side of the forty line, three hundred feet North from the South-west corner of the SE¼ of the SE¼, Section 29, Township 19, Range 10, Randolph County, Alabama - Thence East 350 feet; thence North 600 feet; thence West 350 feet to forty line; thence South along said forty line 600 feet to starting point, containing five acres, more or less.

Exploration Project Contract
C. E. Smith
Docket No. DMEA-3251
Exhibit "A"

Description of the Work

Explore the north extension of two parallel pegmatites by a three stage program.

Stage I - Shall consist of 2 trenches, each approximately 75 feet long by 12 feet wide and 4 feet deep, perpendicular to the projected strike of the pegmatites as shown on the attached sketch entitled "Sketch of Pate Pros. Randolph County, Ala. DMEA-3251 (revised)"

Stage II - Should Stage I, in the opinion of the Govt, give favorable geological information, after approval by the Govt, sink a 40 foot deep shaft in the pegmatite.

Stage III - If pegmatite, in the opinion of the Govt, ~~persists~~ continues in the shaft, after approval by the Govt drive 120 feet of drift ~~of drift~~ in the pegmatite and 40 feet of crosscut.

The shaft, drifts and crosscuts shall be 5 feet by 7 feet in the clear and timbered where necessary.

The location, direction and extent of all work is subject to the approval of the Government.

17946

Agreed Unit Costs

Trenching - 267.86 Cu. yds. @ $0.56/cu.yd.	$150.00
Shaft sinking - 40 feet @ $45.00/ft.	1,800.00
Drifting - 120 feet @ $30.00/ft.	3,600.00
Cross cutting - 40 feet @ $30.00/ft.	1,200.00
Agreed estimated Total Cost	$ ~~7,750.00~~ 6750.00
Government participation @ 75%	$ ~~5,812.50~~
	$ 5062.50

DOCKET COPY
Surname:
Houk
Martin
Johnson

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

MAY 3 - 1954

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

Subject: Docket No. DMEA-3251 - Mica
C. E. Smith
Pate Property
Randolph County, Alabama

Dear Mr. Laurence:

Please find herewith the original and five copies of a contract covering the subject exploration project which have been signed by the Government with register number and effective date as shown.

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which he is obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner.

Copies of memoranda from the Geological Survey, dated March 8, 1954, and from the Bureau of Mines, dated March 16, 1954, are enclosed.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)
Member, Bureau of Mines

D. M. Larrabee (JHB)
Member, Geological Survey

Enclosures 10

LGHouk:gad 4/28/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S.

P. O. Box 261,
Montgomery, Alabama
April 10, 1954

United States
Department of the Interior
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Docket No. DMEA-3251 (mica)
Pate Property
Randolph County, Alabama.

Dear Sir:

Replying to yours of the 6th, requesting a new Owner's Consent to Lien. I am very sorry not to have fully understood the importance of the description of the five acres which we wish to explore.

I am now sending you a new Owners Consent to Lien which I trust you will find to comply with your requirements. However, if this does not meet with your approval, I trust you will let me know as soon as possible, as I am very anxious to get started on the work. I am,

Respectfully,

Charles E. Smith

Charles E. Smith.

140

FILE COPY
SURNAME:

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

Clerk
Austin
Hofflund
Nattenberg

APR 6 1954

Mr. C. E. Smith
P. O. Box 261
Montgomery, Alabama

Re: Docket No. DMEA-3251 (Misc)
Pate Property
Randolph County, Alabama

Dear Mr. Smith:

This will acknowledge receipt of your letter, dated March 23, enclosing six copies of a new Owner's Consent to Lien. Your letter was in response to our letter dated March 16, which stated:

> "We require ... that the area of land you wish to explore be clearly defined, and that you obtain a new Owner's Consent to Lien to cover that area."

You have a lease covering 40 acres of land, but you propose to explore only five acres. The new Owner's Consent to Lien recites that it covers "5 acres on the West side of the SE¼ of the SE¼," but it does not describe which five acres it covers. Therefore, if you propose to devote less than a full part of a section or sections of land to the exploration project, we require a metes and bounds description, with bearings and distances tied into the nearest property corner, enclosing the area of land which you propose to explore. This description should appear in the first blanks of the Owner's Consent to Lien form, instead of the description of the full 40 acres covered by the lease. If there isn't enough space in the blanks, use another sheet of paper and refer to that paper in the blanks of the form.

We shall continue processing your application as soon as we have this information.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson/HCRubin/emd
4/1/54
Copy to: Docket
Adm. R. File
Field Team,
Reg. VII(2)
L.G.Houk
J.L.Hofflund
H.C.Rubin
chron.
pending

Enclosures 6

R.C.H.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

P. O. Box 261,
Montgomery, Alabama.
March 23, 1954.

United States,
Department of the Interior,
Defense Minerals Exploration Admr.,
Washington 25, D. C.

Re: Dockt No. 3251- Mica
Pate Property
Randolph County, Alabama.

Dear Mr. Houk:

Replying to yours of March 16, 1954 with reference to the area of land which I wish to explore, I have obtained a new Owner's Consent to Lien, which describes the location of the proposed exploration sight, and also, a rought map which also indicates the sight- all of which I trust you will find in order. I am sending you herewith six copies.

I am very,

Respectfully,

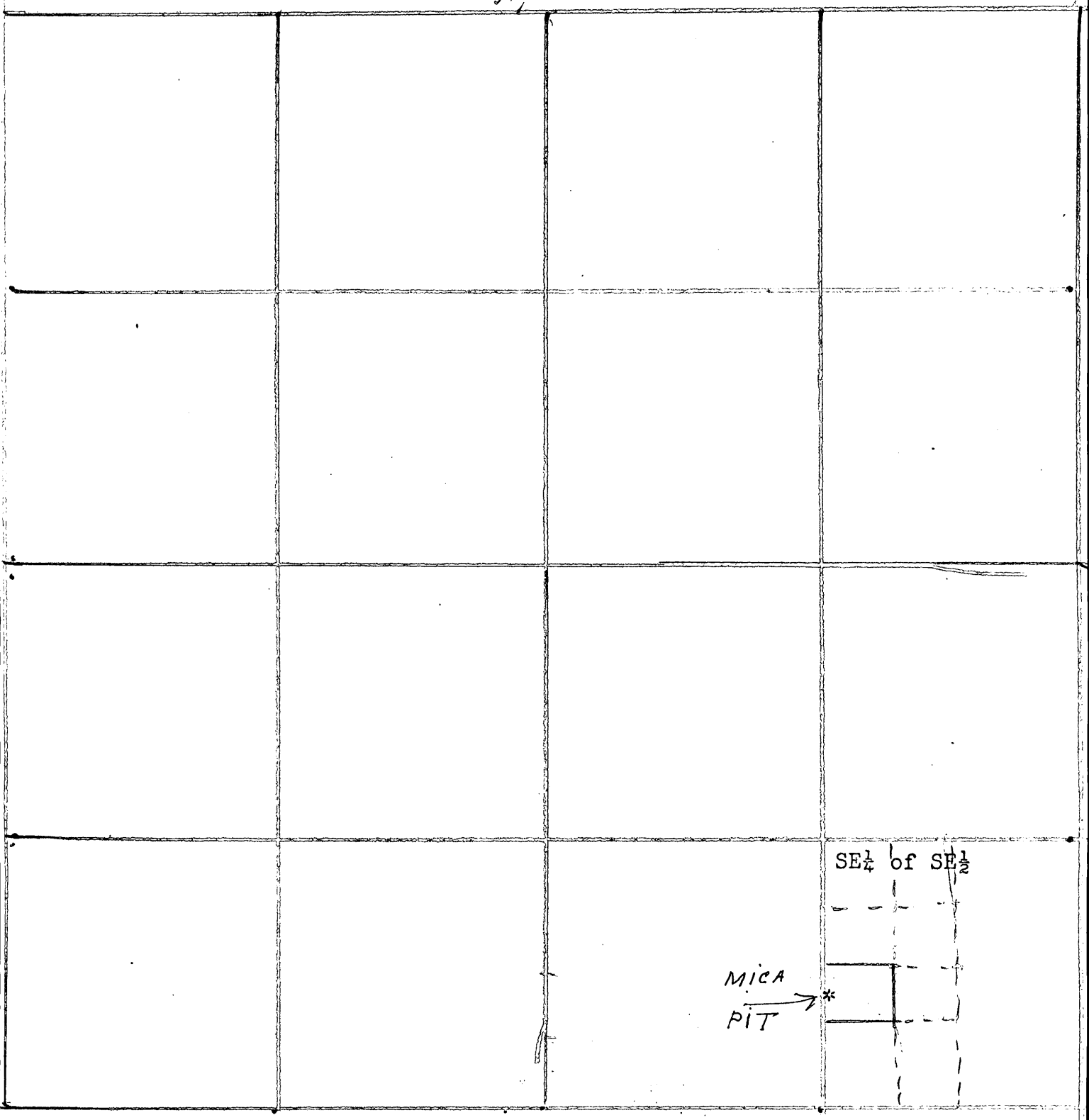
Charles E. Smith

Charles E. Smith.

Incl.

SECTION 29, T. 19, Range 10,
Randolph County, Alabama.

N



S

-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Alabama, County of Randolph described as ~~FOLLOWS:~~

In a Lease, as follows: West ½ of the SE¼ of SE¼, and the East ½ of the SW¼ of the SE¼, Section 29, Range 10, Township 19, Randolph County, Alabama

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Charle E. Smith (C. E. Smith)

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions 5 acres on the West side of the SE¼ of the SE¼, Section 29, Township 19, Range 10, in Randolph County, Ala. subject to Owners Royalty.

Dated this 22nd day of March, 1954.

Willie M Pate [Seal]

Buckie Pate [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated 10-13-53, and recorded in book Deed 63 page 89 official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Alabama, County of Randolph, described as ~~follows:~~ 1/

In a Lease, as follows: West ½ of the SE¼ of SE¼, and the East ½ of the SW¼ of the SE¼, Section 29, Range 10, Township 19, Randolph County, Alabama

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ **Charle E. Smith (C. E. Smith)**

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions **5 acres on the West side of the SE¼ of the SE¼, Section 29, Township 19, Range 10, in Randolph County, Ala. subject to Owners Royalty.**

Dated this **22nd** day of **March**, 195**4**.

Willie M Pate [Seal]

Beverie Pate [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated **10-13-53**, and recorded in book **Deed 63** page **89** 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.

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b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Alabama, County of Randolph, described as

~~follows:~~ 1/

In a Lease, as follows: West ½ of the SE¼ of SE¼, and the East ½ of the SW¼ of the SE¼, Section 29, Range 10, Township 19, Randolph County, Alabama

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2/ Charle E. Smith (C. E. Smith)

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Dated this 22nd day of March, 1954.

Willie M Pate [Seal]

Beeffie Pate [Seal]

[Seal]

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Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Alabama, County of Randolph described as

~~follows~~ 1/

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Dated this 22nd day of March, 1954.

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Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

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Dated this **22nd** day of **March**, 195**4**.

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Bessie Pate [Seal]

[Seal]

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Interior--Duplicating Section, Washington, D. C. 47318

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

March 16, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3251

Applicant: C. E. Smith

Name and Location of Property: Pate Prospect
Randolph County, Alabama

Date of Field Team's Report: March 3, 1954

Date Rec'd. by Ceramic & Fertilizer Materials Br.: March 9, 1954

Field Team's Recommendation:

1. Contract for exploration in the amount of $6,550.

Comments:

1. Proposed exploration is consistent with good Engineering practices.

2. Program should be conducted in three stages - (1) trenching, (2) constructing shaft, and (3) drifting - and subject to cancellation if uncompleted stage or stages do not appear justified, based on information obtained in preceding stage or stages.

3. Field Team should make certain the applicant hires experienced men and does not attempt to conduct the program himself.

Recommendation:

I concur in the field team's recommendation for an exploration program in the amount of $6,550.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 9 1954

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

March 8, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3251 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: C. E. Smith, P. O. Box 261, Montgomery, Alabama.
Name of property: Pate Prospect.
Location of property: 8 miles E. of Lineville, Randolph County, Alabama.
Date of field team report: March 1, 1954.
Authorship of field team report: K. H. Teague, D. H. Amos, J. F. O'Neill.
Field team's recommendation:

150' x 12' x 4' trench	
40' x 5' x 7' shaft	
120' x 5' x 7' drift	
Total	$6,550

Comments:

Suggest set up job in 3 stages, as implied.
1 - trenching
2 - shaft
3 - drift

ACTION RECOMMENDED:

Follow field team's recommendation.

D. M. Larrabee

140

FILE COPY
SURNAME:

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

Houk
Entry
Hofflund
Mackenzie

MAR 16 1954

Mr. C. E. Smith
P. O. Box 261
Montgomery, Alabama

Re: Docket No. DMEA-3251 - Mica
Pate Property
Randolph County, Alabama

Dear Mr. Smith:

Reference is made to the subject application.

It is noted that the Lease Contract, dated October 13, 1953, is for a 40-acre tract of land described as "the West ½ of the SE¼ of the SE¼, and the East ½ of the SW¼ of the SE¼, Section 29, T. 19, Range 10, Randolph County, Alabama." Your application states that you wish to explore "Five acres on the West side of the SE¼ of the SE¼, Sec. 29, Township 19, Range 10, Randolph County, Alabama." The Owner's Consent to Lien (Form MF-203), in paragraph 4, is limited to cover "Ten acres land surrounding and including present site of mine property."

The legal description of the area of land you wish to explore is not clear to us, from the foregoing. We require, therefore, that the area of land you wish to explore be clearly defined, and that you obtain a new Owner's Consent to Lien to cover that area.

We shall continue processing your application as soon as we have this information.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:HCR:ep 3-15-54

Copy to: Docket
Admr. Reading File
Reg. VII (2)
Mr. Houk
Mr. Hofflund
Mr. Rubin
Chron.

R.C.B.
3-16-54

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

Room 13, Post Office Bldg.
Knoxville 2, Tenn.

COPY

March 2, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: D M E A Field Team, Region VII

Subject: Field Examination Reports:

DMEA-3247, Buchanan, Buchanan (Cook & Buchanan (mica))
Johnson Mine, Mitchell County, N. C.
DMEA-3216, Sparks, Parsley and Parsley (mica)
Hector Mine, Yancey County, N. C.
DMEA-3251, C. M. Smith (mica) Pate Prospect.
Randolph County, Alabama

Enclosed are 4 copies of each of the subject examination reports, with 6 extra copies of the map accompanying each.

The Field Team agrees with the examiners' conclusions that exploration of these deposits is worth undertaking, and recommends approval of all three.

/s/ Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA-Reg. VII

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

not assigned

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 - 1954

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3251, PATE PROSPECT (mica)
Randolph County, Alabama

By

Kefton H. Teague, Geologist
U. S. Geological Survey

Dewey H. Amos, Geologist
U. S. Geological Survey

James F. O'Neill, Mining Engineer
U. S. Bureau of Mines

March 1, 1954

DEPARTMENT OF THE INTERIOR
Bureau Mines Mining
RECEIVED
MAR 5 - 1954

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

FIELD EXAMINATION REPORT
On
DMEA-3251, PATE PROSPECT (Mica)

Applicant: C. E. Smith, P.O. Box 261, Montgomery, Alabama

Recent dozer work by the applicant has exposed two parallel pegmatites containing mica of strategic quality. It is recommended that exploration assistance be granted.

The deposit was examined on February 19, 1954. Two hours were spent on the property. Messrs. C. E. Smith, Fletcher Smith and Noah Smith accompanied the examiners.

The Pate Prospect is about eight miles east of Lineville, Randolph County, Alabama in SE 1/4, SE 1/4, Sec. 29, T. 19S., R. 10 E. An adequate access road is present.

The applicant has had no mining experience but plans to employ experienced men. He is financially competent to conduct the proposed exploration.

The area covered by the applicants' lease is adequate for the proposed exploration. There are no surface facilities on the prospect. Two trenches have recently been dulldozed by the applicant. Also, one test pit about 4 feet deep has been dug on one of the pegmatites.

Two parallel pegmatites which strike N-S and dip 70° - 90° E. are exposed in the trenches. The western pegmatite is 10 feet thick and has a 3-foot quartz core; the eastern pegmatite is 8 feet thick and has a 2-foot quartz core. The enclosing rock is a coarse biotite granite. Contacts between pegmatite and granite are gradational. A mica schist is exposed southeast of the pegmatites. Its foliation strikes N. 20° E. and dips 30° NW.

Mica books up to 8 inches across are present in the pegmatites adjacent to and in the quartz cores. It is ruby and is hard. Flat "A", and herringbone mica occur. The flat mica is clear but the "A" and herringbone mica contain black mineral stains. The eastern pegmatite appears to contain more mica and mica of a better quality.

According to the operator, the prospect was worked about 1907 to a depth of about 25 feet. The amount of production is unknown. Several

hundred pounds of book mica were recovered during the recent trenching.

Adequate equipment and supplies may be obtained locally. No electricity is available nearby.

The examiners recommend that the northern extension of the pegmatite be explored by trenching, a 40-foot vertical shaft be sunk and 120 feet of lateral work be done from the shaft. The location of the shaft would be determined by results of the proposed trenching.

Estimated Cost:

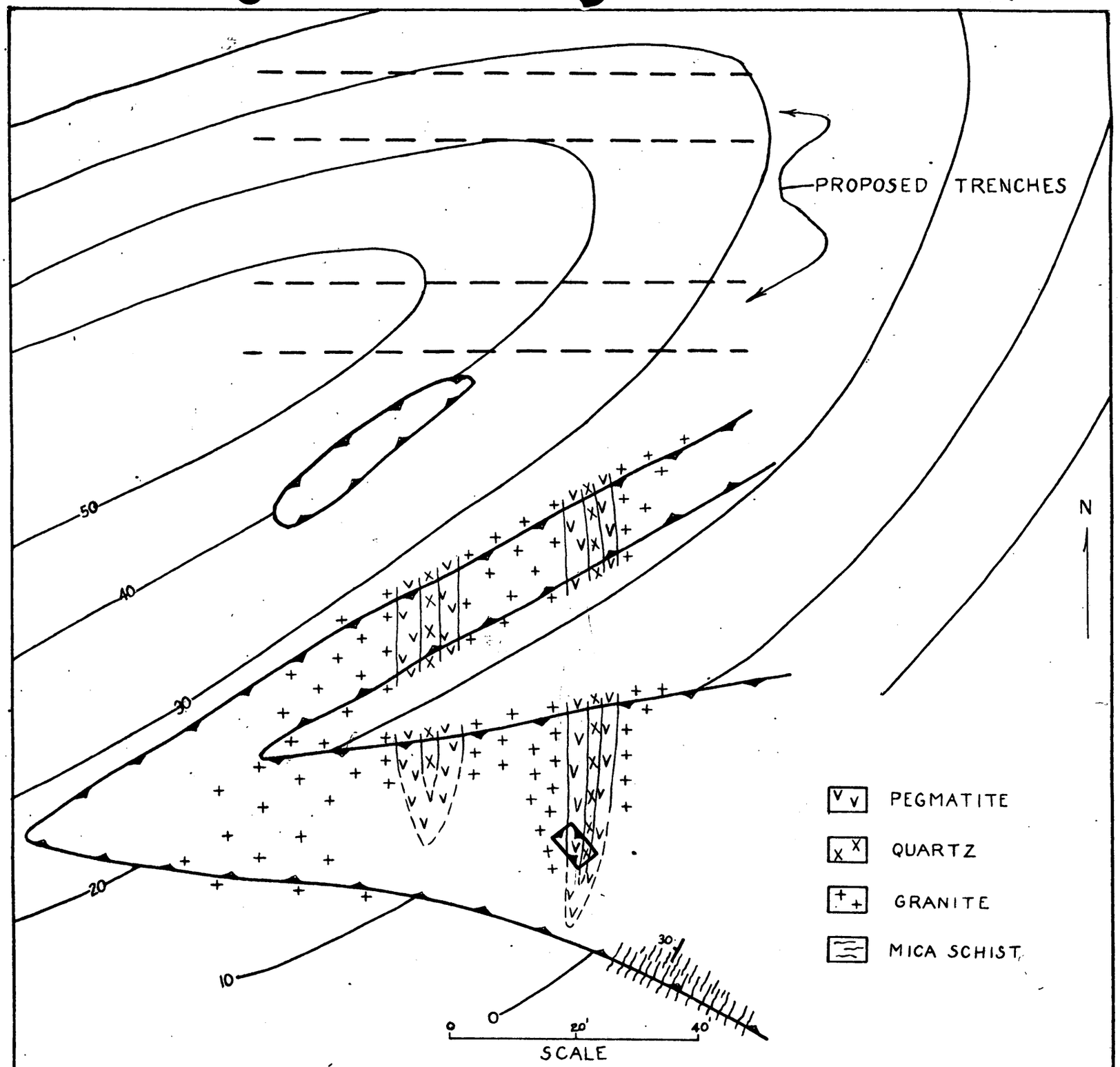
150 linear feet of 12' x 4' trench (15 hrs. @ $10/hr.) 267 86 yds @ 56¢	$150.00
40 foot 5' x 7' shaft @ $45/ft.	1800.00
120 foot of 5' x 7' drift and/~~or crosscut~~ @ $30/ft.	4600.00
Estimated Total Cost.....	$6,550.00
Estimated time required: 6 months.	75% 4912.50

Feb. 19, 1954.

K. H. Teague & D. H. Amos, Geologists
U. S. G. S.

J. F. O'Neill, Mining Engineer
U. S. B. M.

Z



SKETCH
OF
PATE PROS.
RANDOLPH CO., ALA.

DMEA-3251 (mica)

Defense Minerals Administration
RECEIVED
MAR 5 1954

P. O. Box 261,
Montgomery, Alabama.
March 3, 1954

United States,
Department of the Interior,
Defense Minerals Exploration Administration,
Washimgton 25, D. C.

Re: Docket No. DMEA-3251-Mica
C. E. Smith- Pate Property
Randolph County, Alabama.

Dear Mr. Mittendorf:

I am in receipt of yours of March 1, 1954 relative to my application for assistance in exploring the subject property under the above caption, and wish to state in reply that I did understand at the time my application was filed that the Government had reduced the percentage from 90 to 75 percent basis of cost of exploration, and that I do wish to have my application processed under the new Government participation rate.

A copy of your release of November 3, 1953 has been received.

Thanking you, I am,

Very respectfully,

C. E. Smith

File Copy
Surname:
Houk
Selfridge

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

MAR 1 1954

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

Subject: Docket No. DMEA-3251 - Mica
C. E. Smith - Pate Property
Randolph County, Alabama

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated February 17, 1954, and from the Bureau of Mines, dated February 23, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

J. H. Hedges (GCS)
Member, Bureau of Mines

D. M. Larrabee (GCS)
Member, Geological Survey

Enclosures 4

LGHouk:gad 2/26/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.J. 3-2-54

File Copy
Surname:

Houk
~~Larrabee~~
~~Hodges~~
~~Lethridge~~
~~Johnson~~

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

MAR 1 1954

Mr. C. E. Smith
P. O. Box 261
Montgomery, Alabama

Re: Docket No. DMEA-3251 - Mica
C. E. Smith - Pate Property
Randolph County, Alabama

Dear Mr. Smith:

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

On November 3, 1953, Amendment No. 3 to DMEA Order-1 became effective and limited Government participation in the case of mica to 75 percent of the approved costs. Inasmuch as your application was received after November 3, 1953, please advise this office in writing if you desire to have your application processed under the new Government participation rate. The processing of your application will be deferred until receipt of your reply. A copy of our release of November 3, 1953, is enclosed for your information.

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 2/26/54
Copy to: Admr. R. File
Docket File
Field Team, Reg. 7
Mr. Dietrich, 3526
Operating Committee
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

Enclosure

R.C.G.
3-2-54

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

February 23, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3251

Applicant: C. E. Smith

Name and Location of Property: Smith Prospect
Randolph County, Alabama

Application Rec'd by Ceramic & Fert. Mats. Branch: February 16, 1954

Comments:

1. No data are available in this office on subject property since it is a new prospect.

2. Applicant has itemized the estimated costs for the project, but has neglected to propose a plan for exploration. It is suggested applicant be requested to submit more detailed information regarding an exploration plan.

3. Estimated costs total $12,300, which appears high in line with allotments made on similar exploration projects.

4. Applicant has agreed to furnish the share of the cost as stated in Section 7, DMEA No. 1. He should be informed of Amendment No. 3 to DMEA No. 1.

Recommendation:

It is recommended the field team contact the applicant regarding a proposed exploration plan and if an agreement can be reached visit the property to ascertain if an exploration program is justified.

Since the applicant admits his lack of mining experience, it is suggested that any exploration assistance be contingent upon the hiring of a competent mining supervisor satisfactory to the field team.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 18 1954

February 17, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3251 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. A. Brobst, U. S. Geological Survey
Applicant's name and address: C. E. Smith, P. O. Box 261, Montgomery, Alabama.
Name of property: None.
Location of property: 5 acres on the west side of the SE¼ of the SE¼, Sec. 29, Township 19, Range 10, Randolph County, Alabama.
Summary of applicant's proposal: A request for 10 months' exploratory work on the property including 100 feet of shaft and drifts on the pegmatite at an estimated cost of $12,300.
Sources of information on applicant's property: None.
Comments:

1. The applicant's plans are vague and the cost seems to be based on 10 months of work, i.e. mining, rather than on a set plan of exploration.
2. The prospect may merit some exploration but the costs should be kept reasonable.
3. The field team will have to look over the property and is forced into helping the applicant to formulate a realistic program. The applicant admits mining is not his business and is willing to hire experienced men to do the work. He has already had some bulldozing done on the prospect.

RECOMMENDATION:
Have the field team examine the property.

D. A. Brobst
D. A. Brobst

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

February 15, 1954

Memorandum

To: Executive Officer, DMEA Field Team, Region VII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region VII.

DMEA - 3251 Mr. C. E. Smith

ROBERT E. ADAMS

Robert E. Adams,
Chief, Operation's Control
and Statistics Division

February 15, 1954
DMEA-3251

Mr. C. E. Smith
P. O. Box 261
Montgomery, Alabama

Subject: Exploration Assistance
Re:

Dear Sir:

The receipt of your application dated February 10, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3251 and referred to the Non-Metallics Minerals Division.

Kindly refer to DMEA-3251 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 15 1954

February 12, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region 7

Subject: Application - C. E. Smith, Montgomery, Alabama

Transmitted herewith are three copies of an application for exploration for strategic mica in Randolph County, Alabama.

One copy of the application has been retained in this office.

Robert A. Laurence
Robert A. Laurence

kf

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
1 - 15 1954

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. 3251
Metal or Mineral Mica
Date Received
Estimated Cost $12,300
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:

C. E. Smith, P. O. Box 261, Montgomery, Alabama

(*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 Five acres on the West side of the SE¼ of the SE¼, Sec. 29, Township 19, Range 10, Randolph County, Alabama

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on it

(*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.

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

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

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

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

(*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.

(*c*) The work will start within ....30.... days and be completed within ....10.... 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)?

(*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 February 10, 1954, 195...

C E Smith
(Applicant)

By .....

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

15 1954

INSTRUCTIONS

4. Physcial Description: (a)

On the West side of the forty acre tract, mentioned, there is an old pit where some prospecting was done many years back, from the showing around the place, there was some mica found, to what extent, I do not know.

I hired a man with a bulldozer and he put in about 15 hours cross cutting the vein to a debth of about ten feet and found some very good sheet mica altho it was stained.

(b)

No work is being done now.

(c)

This is as good a prospect for mica as I have seen, and there is no doubt in my mind that a good mica mine can be opened on this prospect. It is my desire to sink a shaft to a depth of one hundred feet, following the pegmetite, which is very pronounced, making drifts as the shaft goes down.

(d)

The property can be reached over a dirt road leading off the high-way, a distance of less than one mile, and it is located around eight miles east of Lineville, Alabama which is the nearest railroad point.

(e)

Labor, the kind for mining is scarse,but with some effort it can be had at reasonable prices. Materials, supplies and equipment can be had with little trouble. Power will have to be gasoline driven.

5. The exploration project. ~~(a)~~ (b)

I, myself, have had no mining experience. However, I know the importance of experience men in this business, and I will have an experience man as foreman who can be trusted.

C. E. Smith

INSTRUCTIONS

6. Estimate of costs

(a)

Independent contracts- none

(b)

Labor, supervision, consultants.

2. miners at $40.00 per week each,	10 month	$3200.00
1. hoisstman $40.00 per week	10 "	1600.00
1. mine foreman $50.00 per week	10 "	2000.00
Total for ten months (estimate)		$6800.00

(c)

Operating materials and supplies:

Gasoline, oils and lubricants.....	$ 500.00
Picks, shovels, steel for drills	100.00
Dynamite, fuse, caps etc.....	200.00
100 feet of air hose and wire rope	100.00
Water pump.....	100.00
Track, ties and dump car.....	150.00
Total.....(estimate).....	$1150.00

(d)

Operating equipment

Air Compressor, Jack-hammer,Hoist and Generater, rental for 10 months, estimated $2000.00

(e)

Rehilibation and repairs: none

(f)

New buildings, improvements, installations:

Tool house and shed	$300.00
Timbering for mine.....	600.00
Total.....	$900.00

(g)

Miscellaneous:

Maintanance on rented equipment.....	$150.00
Workmen's compensation and employers liability insurance and payroll taxes	500.00
Total.....	$650.00

(h)

Contingencies- estimated..... $ 800.00

C. E. Smith

INSTRUCTIONS

(a)

7. Sec. 7, DMEA No.1

Yes.

(b)

In Cash

RECAPITULATION

Estimated costs of labor.....	$6800.00
Estimated costs of supplies.....	$1150.00
Estimated rental on equipment	$2000.00
Estimated costs of buildings	$ 900.00
Estimated costs of miscellaneous	$ 650.00
Estimated costs of contingencies	$ 800.00
Total.....	$12300.00

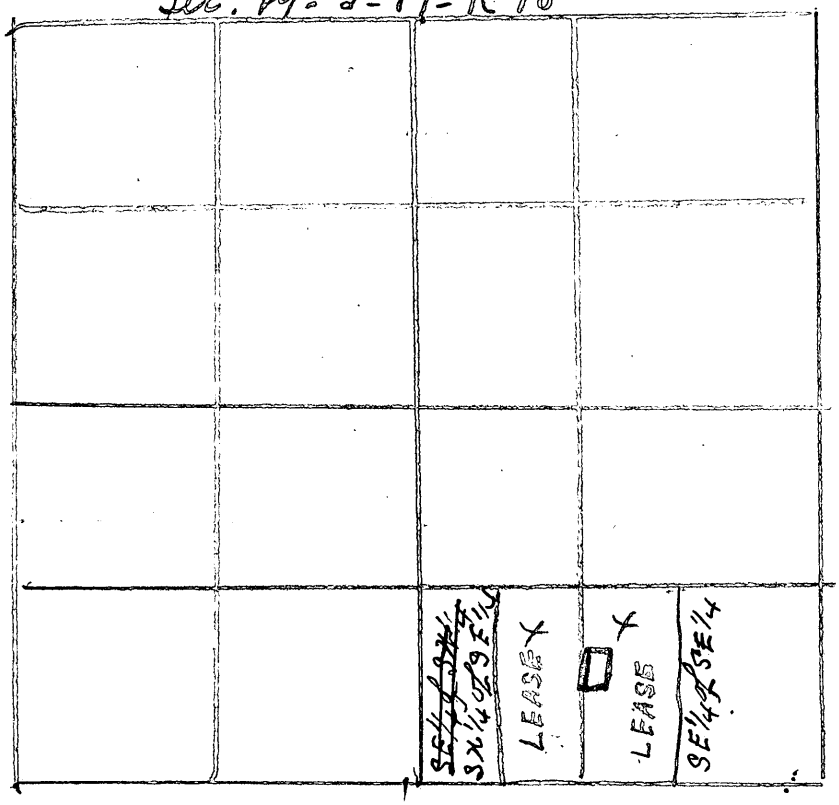
C E Smith

Instructions:

3. applicat's property rights:

(a)

Sec. 29-2-19-R 10



West ½ of S.E.¼ of S.E.¼

East ½ of S.W.¼ of S.E.¼

Randolph County, Alabama.

L E A S E C O N T R A C T

15 1954

STATE OF ALABAMA
COUNTY OF RANDOLPH

THIS CONTRACT made and entered into between W. M. Pate and Beckie Pate, State of Alabama, Party of the First Part, and C. E. Smith and associates Party of the Second Part.

WITNESSETH: That for and consideration of the sum of One Dollar ($1.00) and other valuable considerations, the receipt of which is hereby acknowledged, the Party of the First Part has rented, leased and demise, and does hereby, rent, lease and demise unto the Party of theSecond Part for a period of five years, from date hereof, the exclusive right to prospect and mine mica and minerals and remove all mica and minerals products in, and upon, and under the following described land in Randolph County, Alabama (Containing approximately 40 acres; to-wit:

West ½ of the S.E.¼ of the S.E.¼, and the East ½ of the S.W.¼ of the S.E.¼, Section 29, T. 19, Range 10, Randolph County, Alabama; TOGETHER WITH THE RIGHT ON INGRESS AND EGRESS, and the right to use water on said premises, cut and use standing timber for mining purposes and the right to build roads, erect houses, etc. This lease to run for a period of five years, and the Party of the First Part agrees and binds itself to renew this lease for such period of time as the Party of the Second Part may mine minerals therefrom at a profit.

In addition to the above consideration herein above stated, the the Party of the Second Part agrees and binds itself to turn over to the Party of the First Part the following gross proceeds derived from sale of mica and minerals from said premises; 10% per cent on sheet mica and five per cent on scrap mica.

Royalties on said mica and minerals shall be paid on or before the fifteenth day of each month for all shipments made during the preceeding month.

The Party of the First Part hereby covenants with the Party of the Second Part that it will at anytime during the continuance of this lease, or any renewal thereof, sell and convey unto the Party of the Second Part by a good and sufficient Mineral Rights Deed (the mineral rights only) in the above described premises for a sum of $_____. All Royalties paid shall apply on the purchanse price in case the Party of the Second Part shall decide to buy said Property. The Party of the Second Part shall have the right to remove any buildings, houses, machinery, equipment, etc. which may be placed on said premises or property by Party of the Second Part.

IN WITNESS WHEREOF the Parties hereto have affixed their seals and signatures, this the 13 day of October, 1953.

W, M Pate
Beckie Pate
Partied of the First Part.

C. E. Smith
Party of the Second Part.

(OVER)

STATE OF ALABAMA

COUNTY OF RANDOLPH

Personally appeared be fore me this day, W. M. Pate and Beckie Pate, Party of the Part to this instrument, who acknowledged the due execution of the annexed property lease for the purpose therein expressed.

This 13th day of October, 1953

G. R. Fuller
Justice of Piece

SEAL

STATE OF ALABAMA

COUNTY OF RANDOLPH

Personally appeared before me this day C. E. Smith, Party of the Second Part to this instrument, who acknowledge the due execution of the annexed property lease for the purpose therein expressed.

This the 13th day of October, 1953

G. R. Fuller
Justice of Piece

SEAL

The State of Alabama, Randolph County
I hereby certify that the within
Lease was filed in this office
for record Dec. 12, 1953 at 9
oclock A.M, and recorded in Deed
Record 63, Page 89 and examined

STELL BENEFIELD
Judge of Probate

Fee $1.50

SATE OF ALABAMA
RANDOLPH COUNTY

I certify that $2.50
Priviledge Tax has been
paid on the within instru-
ment as required by law

STELL BENEFIELD
Judge of Probate

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

DEPARTMENT OF THE INTERIOR
Bureau of Mines
RECEIVED
JAN 15 1954

WHEREAS, the undersigned, as owner, ~~XXXXXXXXXXXXXXXXXX~~ has an interest in certain property in the State of Alabama, County of Randolph, described as ~~follows~~ 1/

~~In a Lease, as follows: West ½ of the S. E. ¼ of the S.E.¼ and the East ½ of the S. W.¼ of the S. E. ¼, Section 29, Township 19, Range 10, Randolph County, Alabama.~~

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Charles E. Smith (C. E. Smith)

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions This Consent does not preclude owners rights to his Royalty as provided in Lease dated October 13, 1953, and applies only to Ten acres land surounding and including present sight of mine property.

Dated this 21 day of January, 1954.

W. M. Pate [Seal]

Beskie Pate [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated 10-13-53, and recorded in book Deed 63 page 89 official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Insert the name of the Operator as it will appear in the exploration project contract.

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

RELEVANT CONTRACT PROVISIONS

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

15 1954

WHEREAS, the undersigned, as owner, ~~co-owner, lessory or holder~~ has an interest in certain property in the State of Alabama, County of Randolph, described as

~~XXXXXX~~ 1/

In a Lease, as follows: West ½ of the S. E. ¼ of the S.E.¼ and the East ½ of the S. W.¼ of the S. E. ¼, Section 29, Township 19, Range 10, Randolph County, Alabama.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ Charles E. Smith (C. E. Smith)

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

NOW THEREFORE, the undersigned, in consideration of said contract and as an inducement to the Government to enter into same, undertakes and agrees as follows:

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions This Consent does not preclude owners rights to his Royalty as provided in Lease dated October 13, 1953, and applies only to Ten acres land surounding and including present sight of mine property.

Dated this 21 day of January, 1954.

W. M. Pate [Seal]

Beckie Pate [Seal]

[Seal]

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated 10-13-53, and recorded in book Deed 63 page 89 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.

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MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of Alabama, County of Randolph, described as ~~follows~~1/

~~In a Lease, as follows: West ½ of the S. E. ¼ of the S.E.¼ and the East ½ of the S. W.¼ of the S. E. ¼, Section 29, Township 19, Range 10, Randolph County, Alabama.~~

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hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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Dated this 21 day of January, 195 4

W. M. Pate [Seal]

Brooks Pate [Seal]

[Seal]

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MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

Bureau of Land Management
Lands Branch Administration
RECEIVED
15 1954

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In a Lease , as folows: West ½ of S.E.¼ of the S.E.¼, and the East half of the S.W.¼ of the S.E.¼, Section 29, Range 10 Township 19, Randolph County, Alabama.

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Dated this 21 day of January, 1954.

W. M. Pate [Seal]
Beckie Pate [Seal]
[Seal]

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MF-203
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W. M. Pate [Seal]

Bickie Pate [Seal]

[Seal]

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W. M. Pate [Seal]

Beckie Pate [Seal]

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(a) One and one-half (1½) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half (1½) per cent of any such net amounts, plus one-half (½) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) per cent of such net amounts.

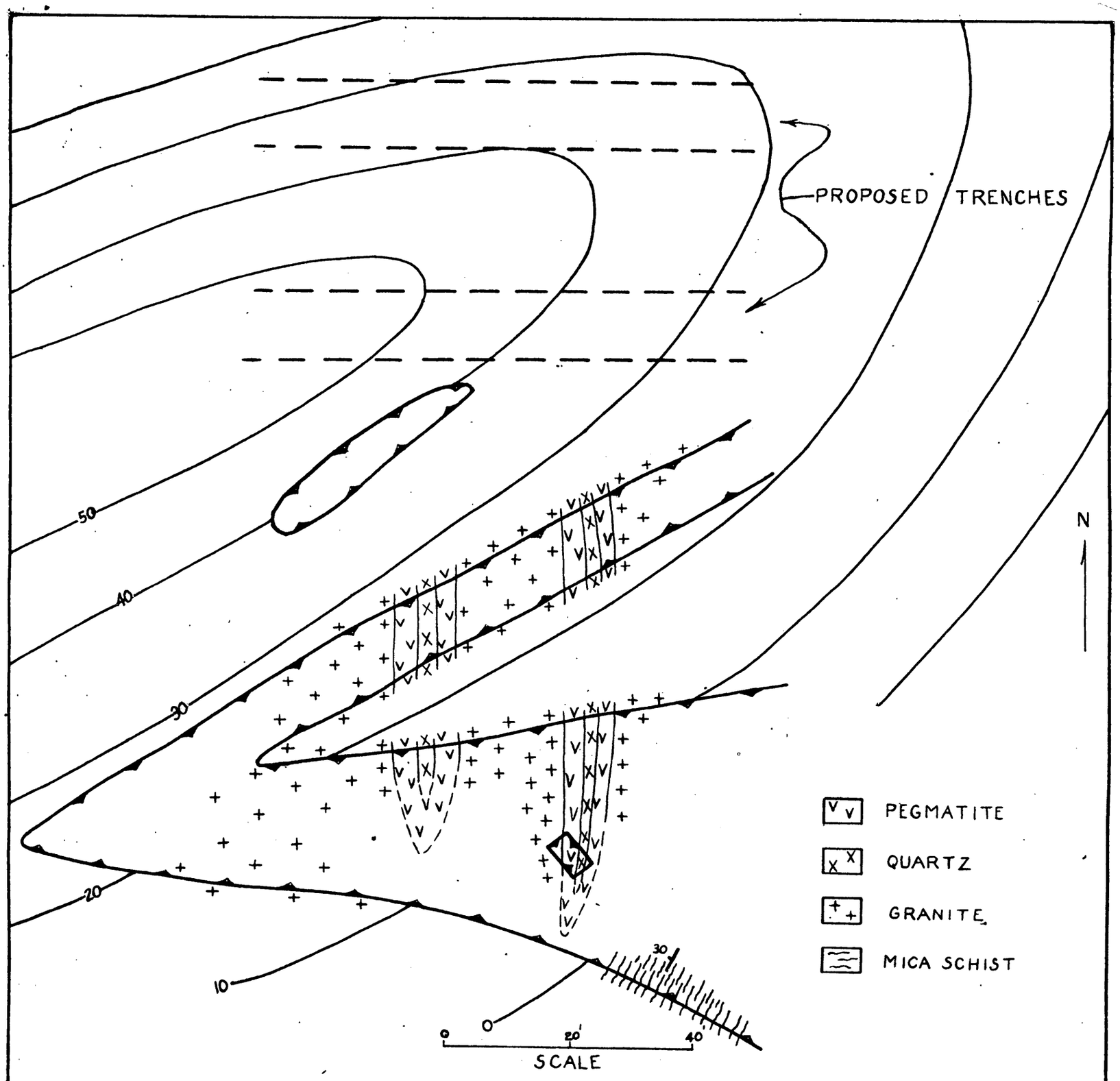
(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) per cent.)

c. Definitions.--As here used, "net smelter returns", "net concentrator returns", and "other net amounts realized from the sale or other disposition", mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income tax determination.

d. Lien for Payment.--To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.



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