OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-8562, Docket OMEA-2873 (mica), dated July 2, 1953, with

Sam L. Phillips, John Phillips, and Lin Carpenter
d/b/a Empire Mica Company
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Short-Mitchell Mine located in Upson County, Georgia, during the period July 1, 1959, through August 13, 1962.

In accordance with the Termination Agreement of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 10 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. A Report of Review dated June 9, 1954, indicated accepted costs under the exploration contract amounting to $2,450.00 with the Government's contribution on a 90 percent basis being $2,205.00.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through June 30, 1959. Accordingly, as of August 13, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. O. Talbert, OME Auditor

August 16, 1962

Idm-8562 Empire Mica Company DMEA-2873

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

This contract, as amended by the Termination Agreement, provides that the Operator, regardless of whether it is the producer or has any interest in the property, shall pay to the Government a percentage royalty on all minerals produced from the property thereunder. At the time the contract was executed the Operator, a partnership also doing business as Short-Mitchell Mica Miners, was in possession by virtue of a June 17, 1953, lease from Robert Howe. An Owner's Consent to Lien was waived.

Exploration work under the contract was discontinued on January 29, 1954, and formally terminated effective June 7, 1954. No mica of value was produced during the exploration period. Subsequent examinations of the property and inquiries by DMEA and OME regional representatives disclosed no further work and no further leases of the property, which was sold during the latter part of 1956 to James Ansers.

In reply to an inquiry, one of the Operator-partners (Sam L. Phillips) advised on March 15, 1961, that there had been no production in several years. In an August 13, 1962, reply to a MMS Form 63 inquiry, the Operator's bookkeeper stated that neither change in property status nor production had occurred since March 15, 1961. Furthermore, an examination of the records of the G.S.A. Mica Purchase Depot, Spruce Pine, N. C., during the week of June 18, 1962, by a representative of this Division did not disclose any sales of production from the property.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files indicate that no mica has been produced from the property under the contract during the period covered by this review; and

(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E562, Docket No. DMEA-2875 (Mica), dated July 2, 1953, with

Sam L. Phillips, John Phillips and Lin Carpenter
d/b/a Empire Mica Company
Spruce Pine, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Short-Mitchell Mine located in Upson County, Georgia, during the period July 2, 1953, through June 30, 1959.

In accordance with Article 4 of Termination Agreement dated June 7, 1954, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 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. A Report of Review in lieu of final audit dated June 9, 1954, indicated accepted costs under the exploration contract amounting to $2,450.00 with the Government's contribution, on a 90 percent basis, being $2,205.00.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The exploration work was discontinued and the contract was terminated before the target area was reached or any saleable mica was encountered;

(2) Inspection reports by field representatives of the Government and other information in the files indicate that during the period covered by this review there has not been any production from the property subject to the contract; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher, OME Auditor

November 18, 1960

DEFENSE MATERIALS PROCUREMENT ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Sam L. Phillips, John Phillips and Lin Carpenter
d/b/a Empire Mica Company
Spruce Pine, North Carolina

pertaining to Exploration Project Contract No. Idm-E562, Docket No. DMEA-2873, for the months of July, 1953 to January, 1954, inclusive, covering a project for the exploration of mica on property, known as the Short-Mitchell Mine, located in Upson County, Georgia.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Regional Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

costs claimed were under a contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contracter		$2,450.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$2,450.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Two thousand two hundred five and no/100 Dollars,

$2,205.00

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

B. J. Brekhus, Auditor

June 9, 1954

Docket's copy

TERMINATION AGREEMENT

It is agreed this 7th day of June, 1954, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Sam L. Phillips, John Phillips, and Lin Carpenter, partners, doing business as Empire Mica Company, hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-2562 (Docket No. DMEA-2073), dated July 2, 1953, hereinafter called the "Contract," that:

1. All work and operations provided for in said Contract shall be terminated as of the date first above written.

2. The Operator shall promptly render to the Government a full and final report and a final accounting of the work performed under the Contract up to and including the date first above written. Any work performed after the date first above written shall be for the sole account of the Operator without contribution by the Government.

3. 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 herein otherwise provided.

4. Annex I attached to the Contract is cancelled and rescinded, and that part of paragraph (a) of Article 9 of the Contract form which precedes the colon is further amended to read as follows:

"The Operator, regardless of any certification of discovery or development, and regardless of whether the Operator is the producer or has any interest in the land or the production therefrom, shall pay to the Government a royalty on all minerals mined or produced from the land described in the Contract for a period of ten years from the date of the Contract, or

until the total 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 amounts realized from the sale or other disposition of any such production (including any bonuses, premiums, allowances, or other benefits), in whatever form disposed of, including ore, concentrates, or metal, as follows:"

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

THE UNITED STATES OF AMERICA

By C. Mitteudorf
Administrator, Defense Minerals Exploration Administration

Burns
Houk
Talbot
Hoffhund

EMPIRE MICA COMPANY

By John Phillips (Partner)

By Lin Carpenter (Partner)

By Sam L. Phillips (Partner)

MF-200
(June 1951)
(Revised Feb. 1952)

DEPARTMENT OF THE INTERIOR
Bureau Lands & Minerals Administration
RECEIVED
JUL 10 1953

Docket No. DMEA -2073

COMMODITY Mica

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

Docket Copy
IDM-E 562

EXPLORATION PROJECT CONTRACT[1]

IT IS AGREED this 2nd day of July, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Sam L. Phillips, John Phillips, and Lin Carpenter, all of Spruce Pine, North Carolina, partners, doing business as Empire Mica Company,

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 mineral rights in that certain land situated in the State of Georgia, County of Upson, described as ~~follows:~~[3] ~~xxxx~~ set forth in Annex II,

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~~ waived.

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 60 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 eight (8) 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.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—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 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related ~~initial~~ allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—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.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[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*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) 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 this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred 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 costs incurred 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.

(*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 operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, 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 as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay ......90...... percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $.....7,740.00....., which is .....90..... percent of $.....8,600.00....., 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 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.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *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:

See Annex I, substituted for that part of (a) preceding the colon:

~~(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 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 10. *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 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *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. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* To the extent that costs are set forth in Exhibit "A" as agreed unit costs," they are in lieu of the actual costs that would otherwise be allowable costs of the project as provided in Article 6 (a) of the contract form.

Executed in sextuplicate the day and year first above written.

EMPIRE MICA COMPANY

By Sam L. Phillips (Partner)
(Operator)
XXXXX

By John Phillips (Partner)

By Lin Carpenter (Partner)

THE UNITED STATES OF AMERICA

By C O Mittendorf
Administrator, Defense Minerals Exploration Administration

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]

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS, JOHN PHILLIPS, AND LIN CARPENTER, PARTNERS
DOCKET NO. DMEA-2873

ANNEX I

The following provisions are in lieu of all of paragraph (a) of Article 9 which precedes the colon:

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 required by the exploration project contract, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development. The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land which is the subject of the exploration project contract, 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 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:

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS, JOHN PHILLIPS, AND LIN CARPENTER, PARTNERS
DOCKET NO. DMEA-2873

ANNEX II

The land referred to in Article 2 of the contract form is in the County of Upson, State of Georgia. By an instrument dated June 17, 1953, the owner, Robert Howe, executed to the Operator a five-year lease of all the "mica, minerals and ore" in the said property (known as "Short-Mitchell Mine") which is described as follows:

Beginning on an oak tree, which is approximately 100 feet East of the existing shaft at the Short-Mitchell Mine, and runs North 23 degrees West 109 feet to a pine tree. Then North 78 degrees and 30 minutes West 100 feet to a small sassafras at a dead pine snag. Then South 32 degrees West 151 feet to a bunch of black gum sprouts. Then South 10 degrees East 125 feet to a pine. Then South 36 degrees East 137 feet to another pine. Then North 54 degrees East 70 feet to another pine. Then North 5 degrees East 100 feet to the point of beginning.

EXPLORATION PROJECT CONTRACT
SAM L. PHILLIPS, JOHN PHILLIPS, AND LIN CARPENTER, PARTNERS
DOCKET NO. DMEA-2873

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be done in two stages, as described below and indicated on the attached map entitled "Plan of the 40' Level of the Short-Mitchell Mica Mine, Upson County, Ga., DMEA-2873."

STAGE I

Clean off sides of shaft and drifts.

STAGE II

1. The cleaned shaft and drifts will be inspected to determine a mutually suitable location for a new shaft.

2. Sink not more than 100 feet of timbered, two-compartment shaft on the pegmatite.

3. Drift not more than 100 feet from the 95-foot point in the shaft.

The location, direction, and extent of all work shall have prior approval of the Government.

Both shaft and drifts shall be 5 feet by 7 feet in cross section.

Approved ladders shall be installed in the manway of the shaft, and the hoisting compartment shall be separated from the manway by a partition.

Estimated Costs of the Project

STAGE I

Actual Costs

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

2 Laborers, 5 shifts each @ $1.00/hr. $80.00

(3) Operating Materials and Supplies

None

(4) Operating Equipment

None

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous

Ladders and small tools 20.00

(8) Contingencies

None ———

Total, Stage I $100.00

STAGE II

Agreed Unit Costs (* Indicates allowable maximum)

The Government will contribute to the costs of the sinking and drifting referred to below on the basis of the agreed unit costs per foot indicated, as they accrue for units of work actually performed, in lieu of actual costs. These unit costs include all costs of the work in Stage II:

Sinking timbered shaft, 100 feet @ $50.00*/ft. $5,000.00*

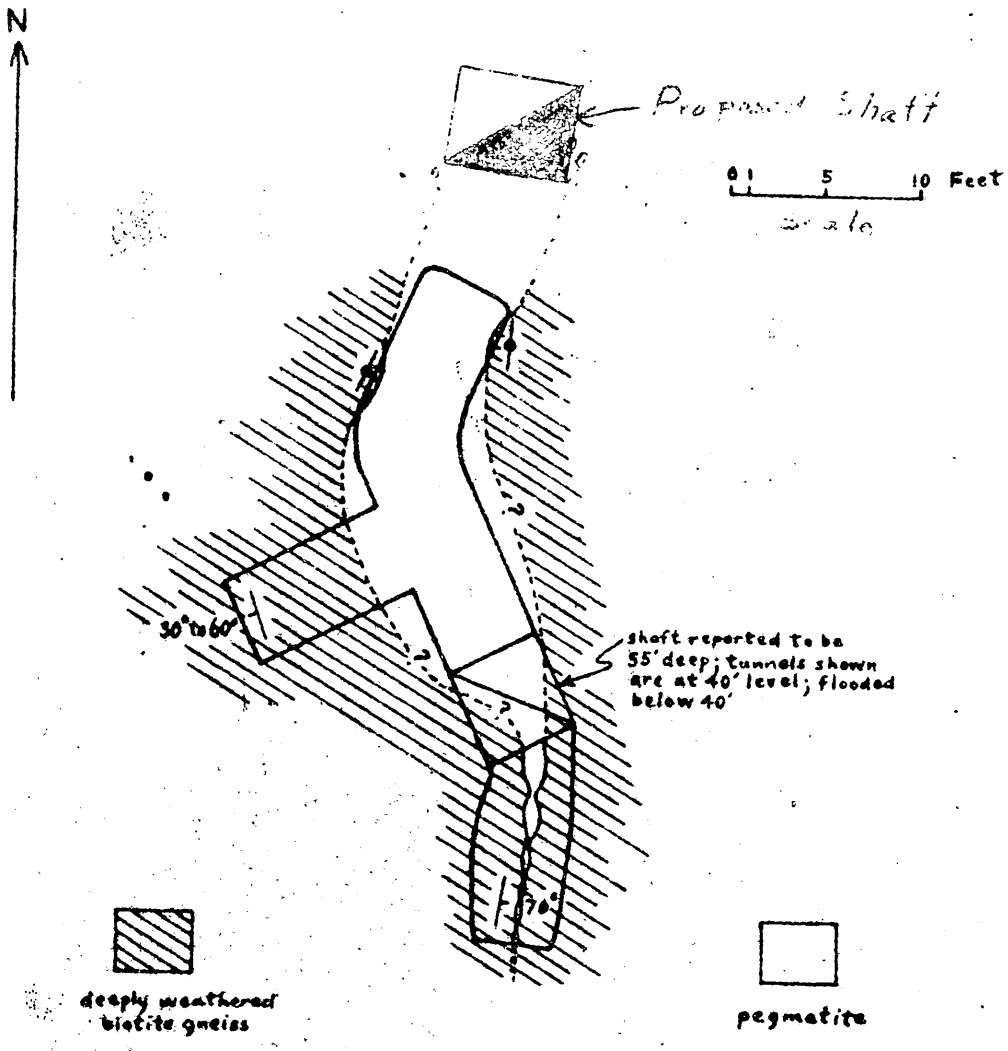
Drifting 100 feet @ $35.00*/ft. 3,500.00*

Total, Stage II $8,500.00*

Total Estimated Cost of Project	$8,600.00*
Government Participation at 90%	$7,740.00*

Fig. 12

Figure 2



Plan of the 40' level of the Short-Mitchell mica mine, Upson County, Ga.

Geologic contacts shown by dashed lines are inferred.

T. L. Kesler

Sept. 21, 1942

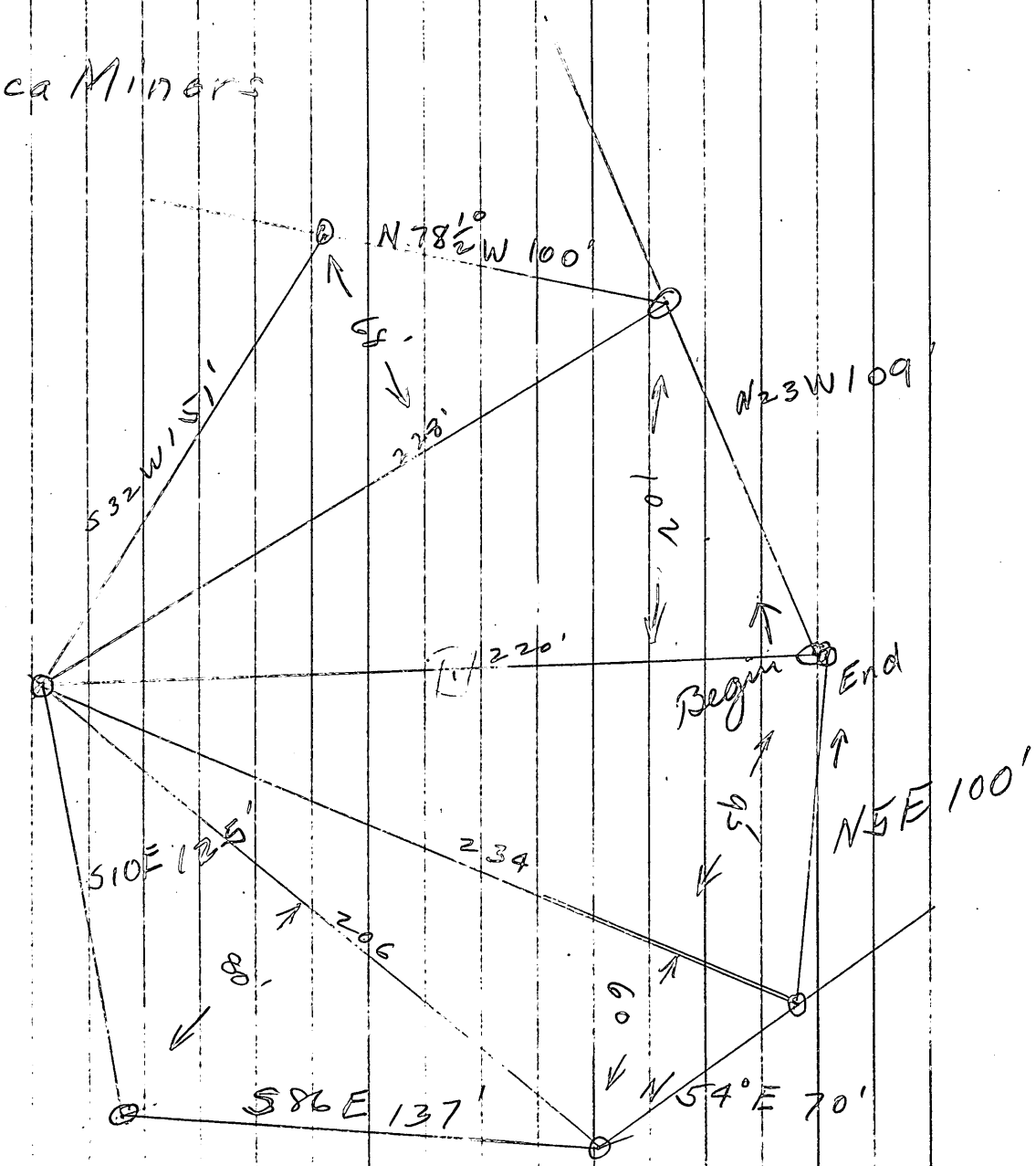
DMEA-2873

2873
Short-Mitchell Mica Miners

1" = 50'

34 x 228	—	7752
51 x 220	—	11220
95 x 117	—	11115
30 x 234	—	7020
40 x 206	—	8240
		45347

1 Acre +



GEORGIA, LAMAR COUNTY

For and in consideration of the sum of one dollar, the receipt whereof is hereby acknowledged, the undersigned, [illegible], and [illegible] lease for a period of five (5) years from this date with the Upton Mica Company, a partnership composed of [illegible] Phillips and [illegible] Carpenter, of Spruce Pine, North Carolina, all of the mica, minerals and ore lying in, upon and under the following described land, to-wit: A certain [illegible] lying and being in Upson County, Georgia, and known as the "North Bonnell Mine", which is located on the premises where [illegible] resides, and more fully described by metes and bounds as follows:

> Beginning on an old [illegible] and run North [illegible] degrees West 100 feet to a pine tree. Then North [illegible] degrees and 30 minutes West 105 feet to a small Sassafras at a dead pine tree. Then South 30 degrees West 111 feet to a bunch of Black Gum Sprouts. Then South 10 degrees West 115 feet to a pine. Then South [illegible] degrees East 137 feet to another pine. Then North 84 degrees West [illegible] feet to a dead pine. Then North 5 degrees East 100 feet to the point of beginning.

The property above described is a part of the property purchased by undersigned, [illegible], from James L. Davis, of Columbus, Georgia.

In addition to the consideration stated above, the lessee shall pay a royalty of ten (10) per cent of all sales of all ores, minerals and mica sold and shipped from said premises, payment for the same to be made on the 30th day of the month following the date of each shipment of said ores, mica and/or minerals, lessee to provide lessor with a statement of weights and an itemized statement of mill sales, during the month following the month of such shipment.

If the lessee should fail to pay any of the royalty provided for in the preceding paragraph hereof or fails to provide lessor with the statement of weights and itemized statements of sales of said ores, mineral and mica, the lessor may demand payment and/or mail statements by registered mail, addressed to the lessor at Spruce Pine, North Carolina, and the lessee shall have

thirty days from the receipt of said written notice in which to pay the said sums due hereunder and to furnish said written statement and upon failure to make such payment or to make such written statement, lessor has the right to declare this lease null and void.

In addition to the other usual and ordinary rights and privileges which lessees of such properties have in connection with leases of this character, and not in limitation of such rights and privileges, the lessee shall have the right to enter upon, explore, prospect for, mine, dig and remove, and to wash, process, refine, improve, beneficiate, manufacture, or otherwise prepare for the market or for sale any and all ores, minerals, and ore found upon, in or under said property during the period of this lease. Said ores, minerals and ores may be removed from this property and partially or completely washed, processed, refined, improved, beneficiated, manufactured, or otherwise prepared for the market or for sale upon any other property not belonging to lessor.

The lessee shall have the right to construct and erect such plants, buildings, machinery, equipment and devices upon such property as he may deem desirable to the full and complete enjoyment of the rights and privileges herein granted, and this instrument shall be construed to give them the right to use the said property in any way so as to enjoy such rights and privileges to the fullest extent.

Among other rights, the lessee may construct and operate washers, processing and manufacturing plants of all kinds, maintain dirt and rock dumps, tailings dams, settling ponds, reservoirs, tramways, roadways, passage ways, railroads, warehouses, storage plants, shops power lines, water lines, pumps, and pumping stations, gas mains, conduits of all kind, and buildings, machinery, equipment and devices of all kinds and character, either on, below or above the ground, for the full enjoyment of the rights and privileges herein granted. This shall include any and all buildings, machinery, equipment, or devices of every kind and character which

may hereafter be found adjacent by the lessee whether in use at the present time or not.

Lessee shall have the right to conduct water, gas, electricity, or other desirable utilities or things, under, over and across said premises to be used for the purpose of enjoying the rights and privileges herein granted, (including the use of such timber as lessee may deem necessary in enjoying the rights and privileges herein granted and in constructing any of the things herein permitted.

The lessee shall not be liable for any damage to the surface or timber on said premises, but shall be liable for the damages done crops on said property.

The drillers ore, oil and minerals mined from this property shall be kept separate from the ores, oil and minerals mined on other properties. The lessor shall have the right to inspect said ore, oil and minerals and/or records, and the records of shipping weights, etc. during business hours.

Lessee shall have the right at any reasonable time during business hours to inspect the records in connection with the weights and sales slips of the ores, oil, and minerals sold and shipped from the leased premises and to inspect all bills of lading covering shipments of ore, oil and minerals sold and shipped from the leased premises.

Lessee shall have the right to pay the royalties due by check made payable to the order of the lessor and mailed to the last known address of lessor.

Lessee shall have the right to renew this lease for an additional five years by written notice sent by registered mail to the last known address of lessor not less than thirty (30) days prior to the expiration date of this lease.

In any and all cases during the life of, and within one hundred twenty (120) days after the termination of this agreement, either by expiration or cancellation, the lessee shall have the right to remove any and/or all buildings, plants, tools,

machinery, equipment, devices and mica are from said property.

It is agreed and understood that should lessee, at any time for a period of ninety (90) days, fail to mine or to work said mine then at the option of lessor the rights herein given to the lessee shall expire and this lease shall have no further force and effect.

It is agreed and understood that all contracts and agreements heretofore entered into by the parties hereto concerning the mica and mineral rights on aforesaid described property are cancelled and voided by this contract. The one hundred($100.00) dollars heretofore paid by lessee to lessor is to be considered an advance royalty on the mica and/or other mineral first mined on said property.

Whenever the terms "lessor" and "lessee" are used in this agreement they shall be deemed to include one or more, as the case may be, and their heirs, successors and assigns.

In witness whereof, said undersigned has hereunto set his hand and affixed his seal to triplicate this the 17th day of June, 1953.

Robert Y. Dave (Seal.)
his
mark

Signed, sealed and delivered
in the presence of:

H. J. Kennedy

Harvey J. Kennedy, Jr. N.P.
Lamar County, Ga.

My com. expires Mar. 21, 1954.

GEORGIA, LAMAR COUNTY.

The above and foregoing lease is hereby accepted and agreed to in all of its terms.

This 17th day of June, 1953.

THE EMPIRE MICA COMPANY

BY Sam L. Phillips
Partner

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 15 day of April 19 53, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	10 00 00	Bills Payable for Merchandise	200 00
Bills receivable, all good	16 00 00	Notes Due Banks	2000 00
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance	10000 00	Bills Payable, otherwise disposed of	
Stocks and Bonds	100 00	Open Accounts	
Machinery and Fixtures	8000 00	Mortgages or Liens on Real Estate	6000 00
Real Estate Belonging to ~~Firm~~	23500 00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	12000 00
		Net Worth	36000 00
Total	44200 00	Total	44200 00

Contingent Liability. { Accommodation Endorsements ..... Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
325A Ashby St. Alexandria, Va.	½	$12000.00	$	$5000.00
1 lot Athens, Ga.	½	$ 500.00	$	$ none
[illegible] Wing, N.C.	1½	$ 6000.00	$	$ none
Woodland, N.C.	5	$ 5000.00	$	$ 1000.00

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: The house at Alexandria, Va., Athens, Ga. and Woodland, N.C. are in my wife's name too.

INSURANCE

FIRE—Buildings $ ..... Personal Property $ 2000.00 Merchandise $ .....

LIFE—$ 10,000.00 Who is the beneficiary Wife

Sworn to and subscribed before me this ..... day of ..... 19 .....

..... Notary Public.

Please sign here .....

By Sam L. Rodgers

Date Signed [illegible] 19 53

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 31 day of March 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	2160 24	Bills Payable for Merchandise	
Bills receivable, all good		Notes Due Banks	1022500
Accounts receivable, all good		Notes to Underwriters	7500000
Merchandise (How Valued)			
Cash Value of Life Insurance	5000 00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures		Mortgages or Liens on Real Estate	
Real Estate Belonging to Firm		Other Indebtedness and of what composed: ½ of Phillips & Coulter	1507120
Personal Real Estate	15000 00	⅓ of Carpenter & Phillips	3261 93
Other Assets and of what composed: ½ Phillips & Coulter	5150 4 23	½ of Newland Motor Center	4500 00
⅓ Carpenter & Phillips	10805 51		
½ Newland Motor Center	6000 00		
½ Mineral Interests	17000 00		
		Total Liabilities	2643617
		Net Worth	8103381
Total	10746998	Total	10746998

Contingent Liability. { Accommodation Endorsements None
Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
House & Lot in Greenville		$ 12000.00	$	$
Premises Pledged to Phillips Hardware		$ 6000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Title in Thomas Phillips [illegible]

INSURANCE

FIRE—Buildings $ ..... Personal Property $ ..... Merchandise $ .....

LIFE—$ [illegible] Who is the beneficiary [illegible]

Sworn to and subscribed before me this ..... day of ..... 19 .....

..... Notary Public.

Please sign here John H. Phillips Jr

By .....

Date Signed ..... 19 .....

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the..... day of.....19....., which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	8800.00	Bills Payable for Merchandise	
Bills receivable, all good	25000.00	Notes Due Banks	300.00
Accounts receivable, all good			
Merchandise (How Valued.....)	25000.00		
Cash Value of Life Insurance	2500.00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures	50000.00	Mortgages or Liens on Real Estate	10000.00
Real Estate Belonging to ~~Firm~~	7000.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	300.00
		Net Worth	118500.00
Total	118300.00	Total	118800.00

Contingent Liability. { Accommodation Endorsements..... / Endorsed Bills Receivable Outstanding.....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
[illegible]	1	$ 4000.00	$	$
[illegible]	2	$ 2000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Dwelling house [illegible]

INSURANCE

FIRE—Buildings $ 20000.00 Personal Property $..... Merchandise $.....

LIFE—$ 2000.00 Who is the beneficiary [illegible]

Sworn to and subscribed before me this.....
day of.....19.....
.....
Notary Public.

Please sign here.....
By [illegible]
Date Signed [illegible] 19[illegible]

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 31 day of March 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	2160 24	Bills Payable for Merchandise	
Bills receivable, all good		Notes Due Banks	10225 00
Accounts receivable, all good		Notes to Individuals	750 00 00
Merchandise (How Valued)			
Cash Value of Life Insurance	500 00 00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures		Mortgages or Liens on Real Estate	
Real Estate Belonging to Firm		Indebtedness and of what composed: 1/2 of Phillips & Coulter	6509 22
Personal Real Estate	1500 00	1/3 of Carpenter & Phillips	3261 95
Other Assets and of what composed: 1/2 Phillips & Coulter	5150 4 23	1/2 of Nurland Motor Center	4000 00
1/3 Carpenter & Phillips	1080 5 51		
1/2 Nurland Motor Center	6000 00		
Mineral Interest	17000 00		
		Total Liabilities	2643617
		Net Worth	8103381
Total	10746998	Total	10746998

Contingent Liability. Accommodation Endorsements None

Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
House & Lot in Spencerville		$ 15000.00	$	$
Business Bldg of Phillips & Coulter		$ 6000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows

Title to Business Building in Business of Phillips & Coulter

INSURANCE

FIRE—Buildings $ Personal Property $ Merchandise $

LIFE—$ 10000.00 Who is the beneficiary Nellie Mae Phillips

Sworn to and subscribed before me this

day of 19

Notary Public.

Please sign here John Phillips

By

Date Signed 19

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 15 day of April 19 53, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	10 00 00	Bills Payable for Merchandise	200 00
Bills receivable, all good	16 00 00	Notes Due Banks	2000 00
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance	10000 00	Bills Payable, otherwise disposed of	
Stocks and Bonds	100 00	Open Accounts	
Machinery and Fixtures	8000 00	Mortgages or Liens on Real Estate	6000 00
Real Estate Belonging to ~~Firm~~	23500 00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	8200 00
		Net Worth	36000 00
Total	44200 00	Total	44200 00

Contingent Liability. { Accommodation Endorsements
Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
325A Ashby St. Alexandria, Va.	1/5	$12000.00	$	$5000.00
1 lot Athens, Ga.	1/2	$ 500.00	$	$ none
Farm Wing, N.C.	125	$ 6000.00	$	$ none
Woodlawn, N.C.	5	$ 5000.00	$	$ 1000.00

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows The ones at Alexandria Va., Athens, Ga. and Woodlawn, N.C. are in my wife's name too.

INSURANCE

FIRE—Buildings $ Personal Property $ 500.00 Merchandise $

LIFE—$ 10,000.00 Who is the beneficiary Wife

Sworn to and subscribed before me this
day of 19
Notary Public.

Please sign here
By Sam L. Phillips
Date Signed April 16, 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the ..... day of ..... 19....., which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	8800.00	Bills Payable for Merchandise	
Bills receivable, all good	25000.00	Notes Due Banks	300.00
Accounts receivable, all good			
Merchandise (How Valued)	25000.00		
Cash Value of Life Insurance	2500.00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures	50000.00	Mortgages or Liens on Real Estate	none
Real Estate Belonging to ~~Firm~~	7000.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	300.00
		Net Worth	118000.00
Total	118300.00	Total	118300.00

Contingent Liability. { Accommodation Endorsements ..... Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Dwelling house Spruce Pine, N.C.	1	$ 4000.00	$	$
Other land in Spruce Pine, N.C.	2	$ 2000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows Dwelling house in my wife's name too. Other land is mine and John Phillips.

INSURANCE

FIRE—Buildings $ 30000.00 Personal Property $ ..... Merchandise $ .....

LIFE—$ 2500.00 Who is the beneficiary wife

Sworn to and subscribed before me this ..... day of ..... 19.....

..... Notary Public.

Please sign here .....

By Lin Carpenter

Date Signed April 16, 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the ..... day of ..... 19....., which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	8800.00	Bills Payable for Merchandise	
Bills receivable, all good	25000.00	Notes Due Banks	300.00
Accounts receivable, all good			
Merchandise (How Valued .....)	25000.00		
Cash Value of Life Insurance	2500.00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures	50000.00	Mortgages or Liens on Real Estate	none
Real Estate Belonging to ~~Firm~~	7000.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	300.00
		Net Worth	118000.00
Total	118300.00	Total	118300.00

Contingent Liability. { Accommodation Endorsements .....
Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Dwelling house Spruce Pine, N.C.	1	$ 4000.00	$	$
Other land in Spruce Pine, N.C.	2	$ 2000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Dwelling house in my wife's name too. Other land in mine and John Phillips.

INSURANCE

FIRE—Buildings $ 30000.00 Personal Property $ ..... Merchandise $ .....

LIFE—$ 2500.00 Who is the beneficiary wife

Sworn to and subscribed before me this .....
day of ..... 19.....
..... Notary Public.

Please sign here .....
By Lois Carpenter
Date Signed April 16, 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 31 day of March 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged against the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	216024	Bills Payable for Merchandise	
Bills receivable, all good		Notes Due Banks	1022500
Accounts receivable, all good		Notes to Individuals	250000
Merchandise (How Valued)			
Cash Value of Life Insurance	500000	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures		Mortgages or Liens on Real Estate	
Real Estate Belonging to Firm		Indebtedness and of what composed: ½ of Phillips & Coulter	650922
Personal Real Estate	15000 00	⅓ of Carpenter & Phillips	326195
Other Assets and of what composed: ½ Phillips & Coulter	51504 23	½ of Nurland Motor Center	400000
⅓ Carpenter & Phillips	10805 51		
½ Nurland Motor Center	60000 00		
Mineral Interest	170000 00		
		Total Liabilities	2643617
		Net Worth	8103381
Total	1074698	Total	1074698

Contingent Liability. { Accommodation Endorsements: None
Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
House & Lot in Spruce Pine		$15000.00	$	$
Business Bldg of Phillips & Coulter		$6000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Title to Business Building in Name of John Phillips & O. V. Coulter

INSURANCE

FIRE—Buildings $ ..... Personal Property $ ..... Merchandise $ .....

LIFE—$ 10000.00 Who is the beneficiary Willie Mae Phillips

Sworn to and subscribed before me this ..... day of ..... 19 .....

..... Notary Public.

Please sign here John Phillips Jr

By .....

Date Signed ..... 19 .....

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 15 day of April 19 53, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	10 00 00	Bills Payable for Merchandise	200 00
Bills receivable, all good	16 00 00	Notes Due Banks	2000 00
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance	10000 00	Bills Payable, otherwise disposed of	
Stocks and Bonds	100 00	Open Accounts	
Machinery and Fixtures	8000 00	Mortgages or Liens on Real Estate	6000 00
Real Estate Belonging to ~~Firm~~	23500 00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	8200 00
		Net Worth	36000 00
Total	44200 00	Total	44200 00

Contingent Liability. { Accommodation Endorsements
Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
325A Ashby St. Alexandria, Va.	1/8	$12000.00	$	$5000.00
1 lot Athens, Ga.	1/2	$ 500.00	$	$ none
Farm Wing, N.C.	125	$ 6000.00	$	$ none
Woodlawn, N.C.	5	$ 5000.00	$	$ 1000.00

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows The ones at Alexandria Va., Athens, Ga. and Woodlawn, N.C. are in my wife's name too.

INSURANCE

FIRE—Buildings $ Personal Property $ 5000.00 Merchandise $

LIFE—$ 10,000.00 Who is the beneficiary Wife

Sworn to and subscribed before me this
day of 19
Notary Public.

Please sign here
By Sam L. Phillips
Date Signed April 16, 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the ..... day of ..... 19....., which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	8800.00	Bills Payable for Merchandise	
Bills receivable, all good	25000.00	Notes Due Banks	300.00
Accounts receivable, all good			
Merchandise (How Valued)	25000.00		
Cash Value of Life Insurance	2500.00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures	50000.00	Mortgages or Liens on Real Estate	none
Real Estate Belonging to ~~Firm~~	7000.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	300.00
		Net Worth	118000.00
Total	118300.00	Total	118300.00

Contingent Liability. { Accommodation Endorsements ..... Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Dwelling house Spruce Pine, N.C.	1	$ 4000.00	$	$
Other land in Spruce Pine, N.C.	2	$ 2000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Dwelling house in my wife's name too. Other land in mine and John Phillips.

INSURANCE

FIRE—Buildings $ 30000.00 Personal Property $ ..... Merchandise $ .....

LIFE—$ 2500.00 Who is the beneficiary wife

Sworn to and subscribed before me this ..... day of ..... 19.....

..... Notary Public.

Please sign here .....

By Lois Carpenter

Date Signed April 16, 1953

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2873

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.

Copy to USBM., TO USGS. & REGION VII

Routing Slip

To:	Code 600, Room 4637	Date	2/9/53
To:	Further	Date	2/10/53
To:	Open Com	Date	3-11-53
To:	Open Com	Date	6-29-53
To:	Code 600	Date	7/3/53
To:	Open Com	Date	7-15-53
To:	Code 600 Rm 4637	Date	7-16-53
To:	Open Com	Date	4-28-54
To:	Open Com	Date	10-11-54
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

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 July 27, 1954

1. Docket No. DMEA-2873 - Mica
Contract No. Idm-E562
Short-Mitchell Mine
Upson County, Georgia

Operator: Sam L. Phillips, John Phillips and Lin Carpenter
doing business as Empire Mica Company
Spruce Pine, North Carolina

Operator's property rights:
Lease for five years dated June 17, 1953.
Personal guaranty for royalty payments.

2. Contract dated July 2, 1953.

Work authorized:

Stage I:	
Clean off sides of shaft and drifts	$100.00
Stage II:	
100 ft. of timbered shaft @ $50.00/ft.	5,000.00
100 ft. of drift @ $35.00/ft.	3,500.00
Total estimated cost	$8,600.00
Government participation @ 90%	$7,740.00

Amendments - None.

Work completed:	
49 ft. of shaft @ $50.00/ft.	$2,450.00
Total accepted cost	$2,450.00
Government participation @ 90%	$2,205.00

Work began on July 1, 1953, ended on January 29, 1954, and was terminated by mutual consent on June 7, 1954.
Field Team Final Report received June 28, 1954.
Operators' Final Report received June 30, 1954.

3. Audit - certificate issued June 9, 1954

Accepted cost	$2,450.00
Government participation	$2,205.00

4. Certification of discovery - none issued.

5. Comments:

How conducted - Not very well. Only one-half of the approved shaft was sunk. Heavy ground and excessive water was the Operators' stated reason. The Field Team says these conditions could have been controlled if operations had been conducted "around the clock" when water was first encountered.

Operation - Poor.

Engineering - Narrative portion of Operators' monthly reports were extremely inadequate. The final report was fairly well done.

Geological premises - The premise that the pegmatite would continue to the 100 foot level was not proved since shaft sinking was abandoned at 49 feet.

Geological criteria upon which work was based:
1. Weathered vertical pegmatite of uneven thickness.
2. Large amount of excellent quality mica.
3. Past production.

Criteria developed during project:
1. Unzoned disconformable pegmatite in excess of 7 feet in thickness.
2. No strategic mica.

Future possibilities:
Field Team Reports that additional exploratory work is justified if carried out by competent miners on 24-hour working day.

Recommendations:

The Nonmetallic Minerals Division concurs with the Field Team that no certification of discovery should be issued.

The Geological Survey concurs in above recommendation and comments that careful study must be given on any further work.

The Bureau of Mines - (Review not yet received.)

The project was terminated on June 7, 1954, by mutual agreement with the Operator agreeing to the payment of royalites for a period of 10 years.

Pseudo

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

July 29, 1963

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Ica-E562

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

If you will be kind enough to bring us up to date we should now be able to release the Government's lien against any future production from this property.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

MME Form 63
Revised 3-62

DMEA-2873
Idm-B562

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 13, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since August 13, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____	_____	_____
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
10/8	Murphy	500
10/8	on leave	500
10/8	Talbert	800
	Selfridge	120
10/8	Johnson	110
	Fumich	100
		220

OCT 8 1963

Mr. Sam L. Phillips
Empire Mica Company
Spruce Pine, North Carolina

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Dear Mr. Phillips:

Thank you for returning the completed MME Form 63's mailed to you on July 29, 1963.

By the terms of the subject Exploration Project Contract and the royalty agreement in Item 4 of the Termination Agreement, dated June 7, 1954, all minerals mined or produced from July 2, 1953, to July 2, 1963, were subject to the Government's percentage royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

George Fumich, Jr.

Director

43683

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

July 29, 1963

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

If you will be kind enough to bring us up to date we should now be able to release the Government's lien against any future production from this property.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE
O. M. E
RECEIVED AUG 1963

DATE	INITIALS	
8/1		800
		100
8/1		~~110~~
		~~120~~
		500
		220

MME Form 63
Revised 3-62

DMEA-2873
Idm-E562

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since August 13, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since August 13, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☑

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Sam L. Phillips Title Owner

Address Spruce Pine, N.C. Date 7-31-63

4511

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
8/16	Carlson	120
		225

AUG 17 1962

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: ACTING Chief, Division of Field Operations, OME

Subject: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Enclosed for your files is the original of a Report of Royalty Review on the subject contract.

W. R. Griswold

Enclosure

GCSelfridge/hb (7/26/62)
cc to: Docket DMEA-2873
Director's Reading File
CA&A Division
G. C. Selfridge
R.A. Laurence, USGS, Region IV, w/cy of Report of Royalty Review dtd 8/16/62 & orig. cy of memo dtd 8/16/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

August 16, 1962

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of the report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 8-16-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

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

RECEIVED
KNOXVILLE OFFICE OF
MINERAL RESOURCES
AUG 14 9 16 AM '62

August 9, 1962

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Dear Mr. Phillips:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED AUG 15 1962

DATE	INITIALS	
8/15		800
8/15		100
8/15		110
8/16	~~Received~~	500
8/17	~~Hoet~~ SMH	500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 15, 1961, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☑

2. Since March 15, 1961, has there been any production from the land subject to the contract? Yes ☐ No ☑

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Jean Huskins Title BKP

Address Spruce Pine Date 8-13-62

4511

MME Form [illegible]
(10-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/26	[illegible]	800
	[illegible]	500
		120
		110
		100
		220

[illegible] 19, 1962

[illegible]

[illegible] Spruce [illegible] Purchase Depot Records,
[illegible] - 22, 1962

[illegible] 19[illegible], I examined the purchase [illegible] at Spruce Pine, North [illegible] of [illegible] unreported production [illegible] My examination did not [illegible] reported production [illegible] not to royalty under the following contracts:

Contract No.	Year No.	Operator	Mine Names
[illegible]	[illegible]	[illegible]	[illegible]ary, Reid, Reid-Mary, [illegible]eid Hooker
[illegible]	[illegible]	[illegible]	[illegible]ary, Reid, Reid-Mary, [illegible]eid Hooker
[illegible]	[illegible]	[illegible]	[illegible]. H. Stephens (Stevens)
[illegible]	[illegible]	[illegible]	[illegible]urke John, M. L. Barnard
[illegible]	[illegible]	[illegible]	[illegible]eason
[illegible]	[illegible]	[illegible]	[illegible]iberty, Conley, Turley
[illegible]	[illegible]	[illegible]	" " "
[illegible]	[illegible]	[illegible]	[illegible]May
[illegible]	[illegible]	[illegible]	[illegible]ngle Cope
[illegible]	[illegible]	[illegible]	[illegible]am Huskins, Little Sam [illegible]uskins
[illegible]	[illegible]	[illegible]	[illegible]onolly
[illegible]	[illegible]	[illegible]	[illegible]ed, Bennett
[illegible]	[illegible]	[illegible]	[illegible]hort-Mitchell
[illegible]	[illegible]	[illegible]	[illegible]ones-Bozeman
[illegible]	[illegible]	[illegible]	[illegible]ox
[illegible]	[illegible]	[illegible]	[illegible]anders (Sanders)
[illegible]	[illegible]	[illegible]	[illegible]ord
[illegible]	[illegible]	[illegible]	[illegible]ute
[illegible]	[illegible]	[illegible]	[illegible]hite Pace, Peterson [illegible]ract
[illegible]	[illegible]	[illegible]	[illegible]ud Cut, Tallent (Talent)
[illegible]	[illegible]	[illegible]	[illegible]ibby, Shaft
[illegible]	[illegible]	[illegible]	[illegible]ram, Clifton

cc: Docket
Director's [illegible]
GA / A [illegible]
Region [illegible]

[illegible]Fisher/ama
6-[illegible]-62

[illegible]

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 17 1961

DATE	INITIALS	
3-17	gad	VVO
~~3/20~~	~~[illegible]~~	~~VVO~~
3/20	[illegible]	800
3/20	~~[illegible]~~ S.P.H.	500
		220

Spruce Pine, N. C.
March 15, 1961

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

Re: DMEA -2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Attention: Mr. Frank E. Johnson
Acting Director

Dear Mr. Johnson:

Referring to your letter of February 28, 1961 concerning the Short-Mitchell Mine in Upson County, Georgia I would like to advise that there was a mis-understanding as to which property we were reporting on. When we read the letter we were thinking of the Empire Mica Company as the Clarrisa and Cloudland mines. Therefore, we stated that these mines were closed out the latter part of May, 1960,(for reference to this refer to our letter dated March 6, 1961.)

As for the Short-Mitchell mine in Upson County, Georgia there has been no production there for several years.

We are very sorry we gave you the wrong information on the mines, and if this does not clear the matter, please advise us.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

SLP/jh

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/13	Holt	500
	Forward	500
3/13	Tadlyn	800
3/13	Selfridge	120
		110
3/13	gad	220

MAR 1 3 1961

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Dear Mr. Phillips:

Thank you for the information in your letter of March 6, 1961, concerning the Short-Mitchell mine, and the sale of the property to E. L. Briggs.

We shall appreciate any information you can give us as to who was operating the mine prior to the latter part of May 1960, when you state the mine closed operations, and whether there has been any production since July 2, 1953.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

SPHolt/gla
3-13-61
cc to: Director's Reading File
Region IV w/cy Mr. Phillips' letter 3/6/61
Code 500
Chron

43683

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 8 1961

DATE	INITIALS	CODE
3-8	gad	VVO
		~~1VO~~
3-8	~~GD~~	~~800~~
"	~~Hach~~	500
		220

Spruce Pine, N. C.
March 6, 1961

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

Re: DMEA -2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
E567

Attention: Mr. Frank E. Johnson
Acting Director

Dear Mr. Johnson:

In reply to your letter dated February 28, 1961 I would like to advise that this mine closed operations the latter part of May, 1960 so therefore, there has been no production since that time. ?

This property was sold to Mr. E. L. Briggs, Attorney-At-Law, Burnsville, North Carolina.

Thanking you for your letter, I am

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

SLP/jh

DMEA FORM 6 REFERENCE SLIP
REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIAL	DATE
1. ~~800 Mr. Hoet~~		
2. 220		
3.		
4.		
5.		
FROM: 800		

FOR: Check items for action desired

____ Action ____ Reply for signature of _____
____ Approval ____ Investigate ____ Surname
____ Comment ____ Recommendations ____ Signature
____ Conference ____ Rewrite ____ File
____ Instructions ____ Your information

REMARKS: Does "closed operations latter part of May, 1960" mean mining operations? If so, no royalty has been paid to date???

Talbut 3/6/61

INT.-DUP. SEC., WASH., D.C. M25803

Re: E562

Mr. Selfridge —

Substitution of "since the date of the contract, July 2, 1953," for "after June 10, 1959" might be worthwhile.

Talbut 3/9/61

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/9	Holt	500
	Arnold	500
3/9	Talbert	800
		120
		110
		220

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Dear Mr. Phillips:

Thank you for the information in your letter of March 6, 1961, concerning the Short-Mitchell mine, and the sale of the property to E. L. Briggs.

We will appreciate any information you can give us as to who was operating the mine prior to the latter part of May 1960, when you state the mine closed operations, and whether there was any production after June 10, 1959.

Sincerely yours,

Acting Director

SPHolt/gla
3-9-61
cc to: Director's Reading File
Region IV w/cy Mr. Phillips' letter 3/6/61
Code 500
Chron

43683

We shall appreciate any information you can give us to who was operating the mine prior to the latter part of May 1960, when you state the mine closed operations, and whether ther has been any production since July 2, 1953.

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
2/28	Hurwitz	500
2/28	Talbot	800
2/28	Selfridge	120
		110
3/1	gad	220

FEB 28 1961

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Dear Mr. Phillips:

We have no information concerning the Short-Mitchell mine since June 10, 1959. Would you be kind enough to advise us whether there has been any production since that time. We would also appreciate receiving the name and address of the present owner of this property, if it is known to you.

The above is with reference to the Termination Agreement, dated June 7, 1954, signed by the individual partners of the Empire Mica Company.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

WRGriswold/gla
2-28-61
cc to: Director's Reading File
Region IV
Code 500
Chron

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
[illegible]	[illegible]	124
		~~120~~
11-22	gad	220

November 22, 1960

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Attached for your files is the original of a Report of Royalty Review on the subject contract.

/s/ George C. Selfridge

George C. Selfridge
Chief, Division of Field Operations

Attachment

LGHouk:gad 11/22/60
Copy to: Region IV (With copy of Review.)
Docket
CA&A
Dir. R. File
Mr. Houk

43683

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/21		800
		220

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: Reports of Royalty Review

Attached are the original and one copy of each of the following Reports of Royalty Review relating to projects covered by royalty agreements on which no royalty has been collected to date:

Idm-E562 DMEA-2873 Empire Mine Company
Idm-E830 DMEA-3265 Mines & Mining, Inc.

These reports were made for GMK record purposes only and, therefore, no copies are to be sent to the Operators. Accordingly, if you concur in the facts stated in the reports, distribution should be made as follows:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) A copy for your file.

As evidence of your concurrence, a copy of your memorandum transmitting the original reports to the Fiscal Section should be furnished to this Division. If for any reason you do not concur, the original and the copy of the report should be returned to this Division with your comments.

Attachments

CEFisher/ama
November 21, 1960

Copy to: Mails and Files
Director's Reading File
CA & A Division
Mr. Rothrock

63603

AUG 7 1959
O.M.E.

[illegible]			[illegible] County, N.C.
[illegible]			[illegible] County, N.C.
[illegible]			[illegible] County, N.C.
[illegible]			[illegible] County, N.C.
2921			[illegible] County, N.C.
[illegible]			[illegible] County, N.C.
[illegible]			[illegible] County, N.C.
3199			[illegible] County, N.C.
3216	"		[illegible] County, N.C.
3247	"		[illegible] County, N.C.
[illegible]			[illegible] County, N.C.
3260			[illegible] County, N.C.
3282			[illegible] County, N.C.
3290			[illegible] County, N.C.

[illegible]	[illegible]	[illegible]	[illegible]	[illegible] STATE
[illegible]	[illegible]	[illegible]	[illegible]	[illegible], N.C.
[illegible]	[illegible]	[illegible]	[illegible]	N.C.
[illegible]	[illegible]	[illegible]	"	"
[illegible]	[illegible]	[illegible]	"	"
3863	[illegible]	[illegible]	Avery Co.	"
3849	[illegible]	[illegible]	[illegible] Co., N.C.	
3924	[illegible]	[illegible]	"	"
4147	[illegible]	[illegible]	Mitchell	"
4239	[illegible]	[illegible]	"	"
4268	[illegible]	[illegible]	[illegible]	[illegible]
4332	[illegible]	[illegible]	Avery Mixhuit	[illegible]
4449	[illegible]	[illegible]	Mitchell	[illegible]
4554	[illegible]	[illegible] Mountain	Buncombe	

page-3. Inactive [illegible]

ALABAMA

DMEA	Idm-2	Commodity	Mine	Location County---State
2596) 3376)	686	Mica	[illegible] Inc. [illegible] Mine	Randolph- Ala.
3132	618	Mica	[illegible] Inc. [illegible] Mine	Clay - Ala.
2634	654	Mica	U.S. [illegible] Foundry Russellville area	Franklin- Ala.

GEORGIA

2873	572	Mica	[illegible] ica Company [illegible] Mitchell Mine	Upson - Georgia
~~3050~~	~~601~~	~~Mica~~	~~Jones-Bozeman Mine~~ [illegible] Phillips	Pickens - "
3244	684	"	[illegible] Magna [illegible] Mine	Pickens - "
3399	850	"	[illegible] Mine	Cherokee - "
1709	321	Manganese	Hale. Georgia Minerals [illegible] ersville Mine	Carter - "

TENNESSEE

2546	676	Zinc	American Zinc Company West New Market Area	Jefferson - Tennessee
4129	936	"	New Jersey Zinc Co., Talbot Area	Jefferson & Hamblin
4177	956	"	New Jersey Zinc Co. Eidson Area	Hawkins - Tennessee

VIRGINIA

4681	1102	"	New Jersey Zinc Co. Williams Property	Wythe - Va.

W. J. Lynch, Mining Engineer
U. S. Bureau of Mines

DMEA

SEMI-ANNUAL REPORT ON CERTIFIED AND PSEUDO CERTIFIED PROJECTS

Inactive since last report

Reporting Period: January 1, 1958 to July 1, 1958

Commodity: Mica

DMEA No.	Idm-E	Operator	Mine	Date Examined
2595 & 3375	472 & 686	Dixie Mines Inc.	Liberty	July 17, 1958
✓2873	562	Empire Mica Co. (Pseudo)	Short-Mitchell	July 16, 1958
3050	601	M.E. Burleson, et al.	Jones-Boseman	July 17, 1958
3132	618	Dixie Mines, Inc.	Hurst Mine	July 17, 1958
3244	684	Alex Teague	Old Denson	July 17, 1958
3799	840	J. R. Beam	Bennett	July 17, 1958

Commodity: Manganese

1709X	321	Hale Georgia Minerals Corp.	Hales Mine	7-17-58

Wm. A. Beck, Mining Engineer
Bureau of Mines (DMEA)

Official

7/24 C 220 225

EXPLORATION PROJECT CONTRACT

Semi-Annual Report of Pseudo Certified Project

DMEA-2873, Idm-E562(mica) SHORT MITCHELL MINE
Upson County, Georgia

Reporting Period: July 1, 1957 to January 1, 1958

Operator: Sam and John Phillips and Lin Carpenter, of Spruce Pine, N. C., d/b/a Empire Mica Company, Spruce Pine, N.C.

The subject property was visited by the writer January 7, 1958. No work was being done and from all appearances the mine had not been operated since termination of the contract. No one was living in the old house on the property and upon inquiry at an adjoining farm house it was learned that Robert Howe, the elderly negro, owner of the property had died. The property has again changed hands and is reported to be owned by some lumber Company.

Wm A. Beck

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

Jan. 22, 1958

z

CONTRACT FILE COPY
DMEA
RECEIVED JAN 24 1958
DATE
1/29 gb 220
31 100

OFFICIAL FILE COPY
DMEA
RECEIVED JUL 8 1957

DATE	INITIALS	CODE
7-8	C	220
9	Com	100

SEMI-ANNUAL REPORT OF PSEUDO CERTIFIED PROJECT

DMEA-2873, Idm-E562 (mica) SHORT MITCHELL MINE

Reporting Period: 1-1-57 to 7-1-57

Operator: Sam L. and John Phillips, and Lin Carpenter, all of Spruce Pine, N. C., partners, d/b/a Empire Mica Co.

The subject proprty was visited by the writer on June 11, 1957. No work was being done and from all appearances the mine had not been operated since termination of the contract. Robert Howe, the former owner who lives on the property stated that so far as he knew no one has a lease on the property at present.

Wm. A. Beck, Mining Engineer
Bureau of Mines

June 11, 1957

z

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 11 1957

DATE	INITIALS	CODE
3/11	C	220
13	COM	100

DEFENSE MINERALS EXPLORATION ADMINISTRATION

SEMI-ANNUAL REPORT OF PSEUDO CERTIFIED PROJECT

DMEA-2873, Idm-E562(mica) SHORT-MITCHELL Mine (mica) Monroe County, Georgia

Operator: Sam L. and John Phillips, and Lin Carpenter, all of Spruce Pine, N. C., Partners, d/b/a Empire Mica Co.

The subject property was visited February 27, 1957. Robert Howe, the former owner of the property still lives on the property and stated that no work had done there since the completion of the contract. Mr. Howe stated he had sold the property to a man by the name of James Ansers.

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

February 27, 1957

z

Pseudo

RECEIVED
AUG 13 1956

Semi-Annual Reports of Certified Projects

Reporting Period 1-1-56 to 7-1-56 Date of Examination 8-1-56

Operator: Sam & John Phillips and Lin Carpenter, ptnrs. d/b/a Empire Mica Company, Spruce Pine, N.C.

Mine Name : SHORT MITCHELL

County and State : Upson County, Georgia

Docket Number and Commodity --- DMEA- 2873 - Mica

Contract Number --- Idm-E 562

Date of Contract : July 2, 1953

Date of Certification : 10 yr. lien by termination agreement - 6-7-54

Expiration Date of Royalty Payments : July 2, 1963

Total Amount of Contract : $8600.00

Total Expenditures under Contract : $2450.00

Amount of Government Participation at 90 % $2205.00

Royalty Payments this Period : None

Previous Royalty Payments: None

Total Royalty Payments to Date: None

Percent Government Participation Repaid - 0.00%

Royalty Due on Production to Date : None

Royalty Remarks : No mica of salable quality was produced

Original Estimate of Reserves (from final Engr.-Geol. Report): No reserves estimated

Increase (or Decrease) of Reserves by work performed subsequent to original and last Field Team estimates: none

Revised Estimate of Reserves:

Production this Period (Ore or Concentrates) in suitable detail None

Amount of Previous Production (since date of contract) None

Total DMEA Production to Date : None

Percent of Revised Reserves Mined None

Production Remarks: Mine has never produced.

Other Remarks: Property was visited with C.E. Fisher, DMEA Auditor

(Investments, description of additional exploration or development work, production facilities, and plant installations, etc. since completion of the exploration project work)

Property was visited with C.E. Fisher, DMEA Auditor August 1,1956. Robert Howe an aged colored man, owner of the property, was interviewed. He stated that no work had been done at the mine since the DMEA contract was terminated. He is using the shaft for a well when the water in his well gets low. He also stated that he is about to sell his property.

Signed Wm A. Beck Engineer

Wm A.Beck, Mining Engineer

Docket Copy
Surname:
Houk

Selfridge
Talbert
Johnson
Northcutt

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

FEB - 2 1956

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

Dear Mr. Laurence:

For your information we are listing below the executed certifications by agreement made in the Nonmetallic Minerals Division:

DMEA	Idm-E	Name	Date
2579	459	Mica Industries, Inc.	1/1/54
2610	431	Dixie Minerals, Inc.	4/7/54
2873	562	Empire Mica Company	6/7/54
3375	686	Raymond Rendelman	2/14/55

Semi-annual reports on production, royalty received, and future plans should be submitted using the same format as is used for certified projects. The total production from the Chalk Hill Mine, DMEA-1665, Mica Development Corporation, would be of interest, if available.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Approved:

/s/ Robert W. Geehan (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

L.Houk:gad 1/26/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.S.

RECEIVED
JAN 16 1956

INTERIM REPORT ON PSEUDO-CERTIFIED PROJECT

DMEA-2873, Idm-E562, SHORT MITCHELL MINE (mica)

Operator: Empire Mica Company, Spruce Pine, North Carolina

Location: 3.4 airline miles and 4 miles by road S. 20° W. of Yatesville, Upson County, Georgia

The writer visited the subject mine January 11, 1956.

No work has been done on the property since the contract was terminated.

Wm. A. Beck, Mining Engineer
Bureau of Mines

January 11, 1956

z

Docket Copy
Surname:

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

OCT 12 1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zimmman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mumey Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared..." No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say "...we evidently misunderstood the language (of the termination notices), for we assumed that the Government was preserving the right to repayment for work already done..." Payment by whom?

R.A.L.

If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: "...we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. Ordinarily DMEA treats further operations by a new operator as an entirely new project without liability for past operations which did not result in a certification of discovery or development. However, in some cases where the second operator would derive unusual benefit from the Government's contribution under the original contract he may be required to assume liability for such contribution if certification is made.

IV

With respect to an operator who has abandoned the property you say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous except where the Government terminates the contract. Under the provisions of the contract the operator can be relieved from the royalty obligations only by "...complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract..." If the Government terminates it waives all claim for damages on account of the abandonment.

V

You say: "It is not clear to us why one type of action was taken for these two contracts (Robert Baker and Forest City), and entirely different actions taken in terminating (the other contracts)..." The method of terminating contracts must depend upon the facts in each

case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (216)

Approved:

J. H. Hedges

Member, Bureau of Mines (216)

Thor H. Kiilsgaard

Member, Geological Survey (212)

LGHouk/JLHofflund/
LGHouk:gad 10/6/54

Copy to: Admr. R. File
Operating Committee
Docket - 4
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk - 4
Mr. Hofflund - 2

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

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

Re: Docket No. DMEA-2646 - Mica
Robert Baker
Zinnman Mine
Mitchell County, North Carolina

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20 concerning the different forms of termination action taken in the subject cases.

I

With respect to Robert Baker and Forest City Mining Company you say: "At the time the termination agreements were prepared . . . No termination agreements were prepared as these contracts were terminated by unilateral notice on account of the defaults of the operators.

II

You say . . . we evidently misunderstood the language [of the termination notices], for we assumed that the

Government was preserving the right to repayment for work already done . . ." Payment by whom? If you mean payment by the operator, that is correct. If you mean payment by some subsequent operator, that is wrong. Moreover, no royalty can accrue except by a certification under the contract within the time limited by the contract, and if there has been no discovery there cannot, of course, be any certification. That is why when it is desirable to preserve the Government's royalty rights without certification it is necessary to do so by agreement with the operator, assuming that the operator will agree.

III

You say: ". . . we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators." If you mean that you assumed that the obligation of the original operators would be carried to some new subsequent operators, that could be done only by agreement with the subsequent operators. It has been the policy of DMEA to treat further operations by new operators as an entirely new project without liability for past operations which did not result in a certification of discovery or development.

IV

You say: "As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts." That is erroneous. Under the provisions of the contract the operator can be relieved from the royalty obligations only by ". . . complete abandonment by the Operator of all interest in or operations on the land for a period of ten years from the date of this contract . . ."

V

You say: "It is not clear to us why one type of action was taken for these two contracts [Robert Baker and Forest City], and entirely different actions taken in terminating [the other contracts] . . ." The method of

terminating contracts must depend upon the facts in each case, the willingness of the operator to sign a termination agreement, and other elements. We cannot require operators to enter into termination agreements, and we cannot preserve royalty rights except by agreement or by certification. Rescission, with demand for repayment, as in the Mundy and Thomas case, is resorted to only where the operator's default is deemed to be inexcusable and the Government feels that it would have been beneficial to have completed the project.

These matters are discussed in more detail in Circular No. 33 of June 30, 1954.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

LQHouk/JLHofflund/emd 9/28/54
Copy to: DMEA Docket (4)
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk (2)
Mr. Hofflund
chron.
pending

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

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina
Contract No. Idm-E444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-E480

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Docket No. DMEA-3099 - Mica
Homer C. Mundy and
Carl Frank Thomas
Dickens Mine
Oconee County, Georgia
Contract No. Idm-E609

Dear Mr. Laurence:

Reference is made to your memorandum of August 20, 1954, questioning the different termination actions taken in the above-cited cases.

Both Robert Baker and Forest City Mining Company were terminated unilaterally for non-performance. Empire Mica Company was terminated by mutual agreement with the Operator with the pseudo certification clause added. See our letter of July 16, 1954, from the Operating Committee, fourth paragraph. Both Robert Baker and Forest City Mining Company had the right to abandon, whereas Empire Mica Company did not. In the "rescinding DMEA-3099 (Mundy and Thomas) with demand for repayment", this was an agreement in which the Operators would have repaid the Government if they had executed the document.

I hope this will answer your questions.

Sincerely yours,

Approved:

Member, Bureau of Mines

Chairman, Operating Committee

Member, Geological Survey

DOCKET COPY
Surname:
Hook
Butin
Hoffland
Chambers
Selfridge

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

INTERIOR DEPT.
JUL 28 1954
SOLICITOR

Mr. Sam L. Phillips
Empire Mica Company
Spruce Pine, North Carolina

Re: Docket No. DMEA-2873 - Mica
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-8562

Dear Mr. Phillips:

The above-cited contract was terminated by mutual agreement, dated June 7, 1954. Our Contract Administration and Audit Division determined by its final audit that the following amounts claimed by the Operator and contributed by the Government are correct:

Total claimed for units of work performed	$2,450.00
Total Government contribution at 90 percent	2,205.00

Under the provisions of the termination agreement, you are required to pay to the Government a royalty on all minerals mined or produced from the land described in the contract, as provided in the contract, for a period of ten years from the date of the contract or until the total amount contributed by the Government, without interest, is fully repaid, whichever occurs first.

Payments should be made to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, 13 Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalty from the amount due on each shipment and forward a check directly to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Laurence of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty. Also, if production ceases at any time for any extended period, please notify Mr. Laurence at six-month intervals that no production has been made.

Sincerely yours,

C. O. Mittendorf

Administrator

Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Hook
Mr. Chambers

LGHook:gad:HCR:WCAnderson 7/27/54
Copy to: Admr. R. File
Docket File
Mr. Hoffland
Operating Committee
Field Team, Region VII

FROM SOLICITOR
2 - 1954
FOR SIGNATURE

R&B

DMEA
File Copy
Surname

Phillips

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

Mr. Sam L. Phillips
Empire Mica Company
Spruce Pine, North Carolina

Re: Docket No. DMEA-2873 (Mica)
Short-Mitchell Mine
Upson County, Georgia
Contract Idm-E562

Dear Mr. Phillips:

This is to inform you that the final audited and settled account of the costs of the work under the subject contract, which work was terminated by mutual agreement by an instrument dated June 7, 1954, is as follows:

Total claimed for units of work performed	$2,450.00
Total Government contribution at 90 percent	2,205.00

Under the provisions of the termination agreement, you are required to pay to the Government a royalty on all minerals mined or produced from the land described in the contract, as provided in the contract, for a period of ten years from the date of contract or until the total amount contributed by the Government, without interest, is fully repaid, whichever occurs first.

Payments should be made to Mr. Robert L. Laurence, Executive Officer, DMEA Field Team, Region VII, 13 Post Office Building, Knoxville 2, Tennessee. Checks should be drawn payable to the Treasurer of the United States. The purchaser should be advised to deduct the royalty from the amount due on each shipment and forward a check directly to the Executive Officer.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

You are requested to notify Mr. Laurence of any changes in ownership or production rights that may have any effect on the Government's right to its percentage royalty.

Also, if production ceases at any time for any extended period, please notify Mr. Laurence at six-month intervals that no production has been made.

Sincerely yours,

Administrator

WCAnderson:HCR:ep 7-21-54

Copy to: Solicitor's Docket
DMEA Docket
Administrator
Admin. Reading File
Operating Committee
Field Team, Reg. VII
Mr. W. F. Dietrich, B/M (3061)
Mr. D. M. Larrabee, USGS, G-232,GSA
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.
Pending

IN REPLY REFER TO:
G-MD-CNM

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

July 1, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2873 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Empire Mica Co., Spruce Pine, N. C.
Name of property: Short-Mitchell Mine.
Location of property: Upson County, Georgia.
Date of Field Team Report: June 25, 1954.
Authorship of Field Team Report: K. H. Teague, J. F. O'Neill, and D. H. Amos.
Field Team's recommendation:

1. Terminated by mutual agreement.
2. Additional work is justified.
3. This will require very competent miners on 24 hr. working day.

Comments:

Point 3 above must be given careful study on the part of any further work.

ACTION RECOMMENDED:

Follow Field Team's recommendation.

D. M. Larrabee

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

June 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Operators Final Report, DMEA-2873, Idm-E 562 (mica)
Empire Mica Co. Spruce Pine, N. C., Operator
Short-Mitchell Mine, Upson County, Georgia

Enclosed are four copies of the Operator's final report on the subject exploration contract, received in this office today. The fifth copy is being retained for the files in this office.

The Field Teams final report on this project was mailed June 25, 1954.

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

MG

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

Spruce Pine, North Carolina

June 25, 1954

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

Re: Short-Mitchell Mine - DMEA-2873
Upson County, Georgia
Final Report

Dear Mr. Laurence:

Work was begun on the Short-Mitchell Mine on or about July 1, 1953. The work consisted of sinking a 5x7 ft. shaft to a depth of 49 feet. This shaft was timbered from the top to the bottom, and extreme difficulty was encountered after we reached the depth of 36 feet, because the ground was so soft it was next to impossible to make any footage. The operator used a pneumatic sludge pump in their endeavor to keep the soft muck out of the mine. After the 40 foot depth was reached, a sludge pump and a sump pump were used and we were able to sink an additional 9 feet by working practically around the clock. It was at this point that the operator requested termination of the contract.

At no time in sinking the 49 feet did we come in contact with a mica bearing pegmatite. The operator had three different crews, all considered to be good mica miners, and each crew abandoned the mine. They believed it next to impossible to sink the shaft and hold the earth.

The operator appreciates the fact that your office has seen fit to permit us to terminate this contract, in view of the circumstances mentioned above. We wish to thank the DMEA personnel for their cooperation, and will be glad to furnish any additional information required.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

P/b

RECEIVED
JUN 28 1954
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY

~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

June 25, 1954

Memorandum

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

From: Field Team, DMEA - Region VII

Subject: Final Report, DMEA-2873, Contract Idm-E 562 (mica)
Operator: Empire Mica., Spruce Pine, N. C.
Short-Mitchell Mine, Upson County, Georgia

Enclosed are four copies of the subject final report. The Field Team agrees with the recommendation that a certificate of discovery should not be issued, but the lien should be preserved in the event some other Operator takes over the mine and completes the exploratory work.

/s/ Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

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

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
BY
FIELD TEAM, REGION VII

On
DMEA-2873, SHORT-MITCHELL MINE (mica)
Upson County, Georgia

By

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

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

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

June 25, 1954

Reviewed by
DMEA OPERATING COMMITTEE

_____
(date)

FINAL REPORT
On
DMEA-2873, Idm-E562, SHORT-MITCHELL MINE
(mica)

Operator: Empire Mica Company, Spruce Pine, North Carolina

The Short-Mitchell Mine is 3.4 airline miles and 4 miles by road S.20°W. of Yatesville, Upson County, Georgia.

Work completed under the contract consisted of sinking and timbering a 49.5-foot vertical shaft. Heavy ground and considerable water were encountered and repeated attempts by the Operator to continue sinking made no significant progress; thus, the contract was terminated by mutual agreement effective June 7, 1954. As no strategic mica was discovered during the work, no certification of discovery should be issued. The field examiners are of the opinion that additional exploratory work is justified but will require employment of very competent miners and operation "around-the-clock".

Work began on July 1, 1953 and ended on January 29, 1954. A 5'X7', 2-compartment, vertical shaft was sunk and timbered to a depth of 49.5 feet. The lower 10 feet of the shaft has partially caved in due in part to inadequate timbering. Considerable difficulty was encountered in sinking the last ten feet because of heavy ground and much water.

A disconformable pegmatite in excess of 7 feet thick is exposed in the shaft. It strikes about N.20°E. and dips steeply to the north~~east~~west. No zoning is apparent. The pegmatite consists of kaolinized feldspar, quartz and sparse muscovite.

No mica was recovered during the shaft sinking. About 1500 pounds of "mine-run" mica was obtained from old works by the Operator during the period of the contract. It was all badly clay-stained.

Expenditures:

(a) Total approved	$8,600.00
(b) Total cost of project	2,450.00
(c) Government's share of cost	2,205.00
(d) Governments share unexpended	5,535.00
(e) Value of production during operation	None

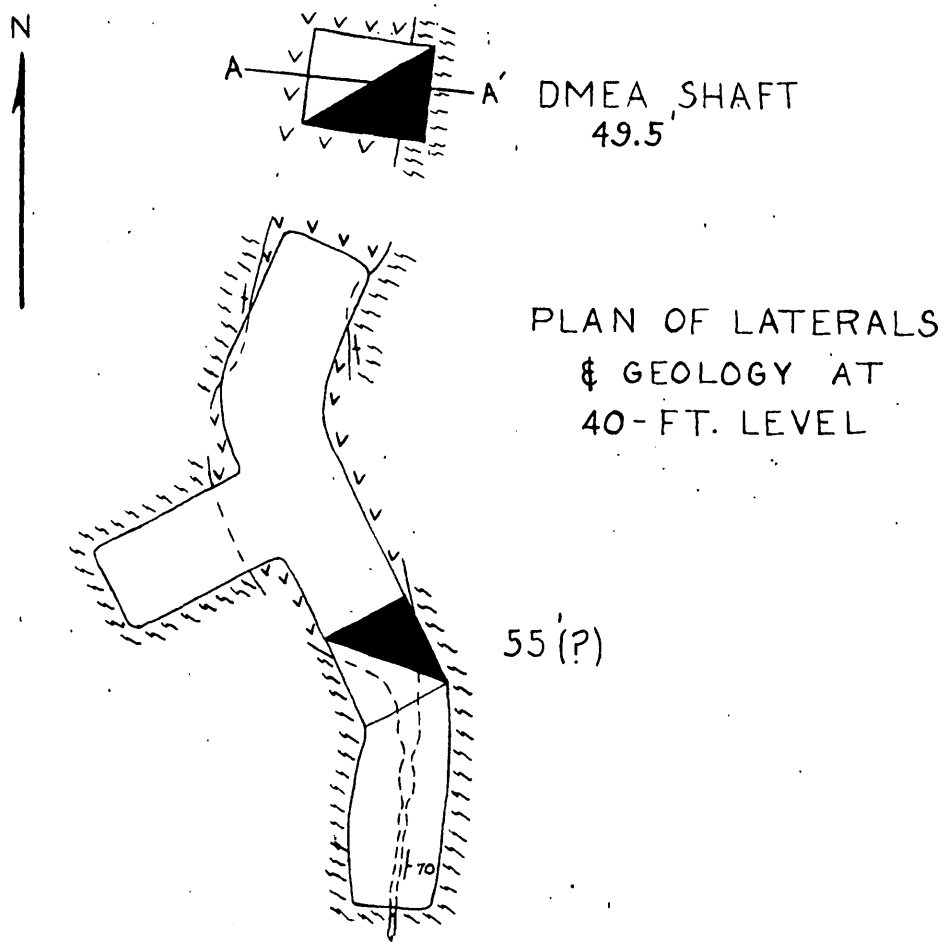
It is the opinion of the field examiners that the heavy ground could have been controlled if operations had been conducted "around-the-clock" when water was first encountered.

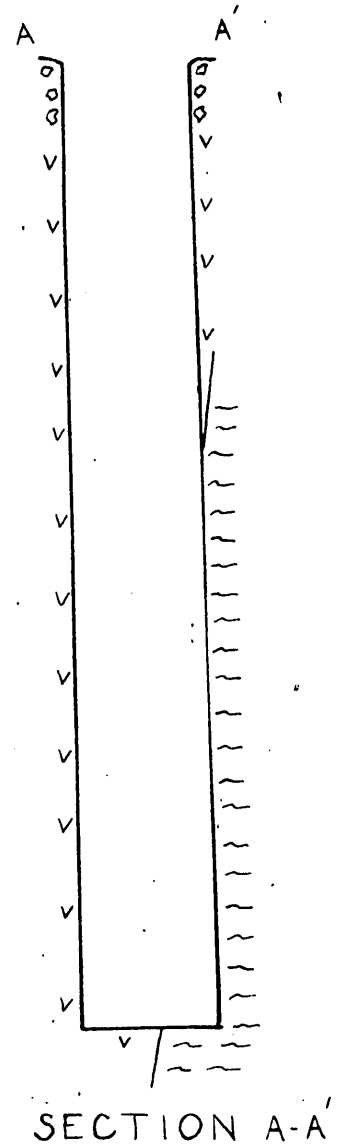
No equipment was purchased under the contract.

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

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

Date: June 25, 1954





0 10 20
SCALE

SHORT MITCHELL MINE

UPSON CO., GA.

IN PART MODIFIED FROM UNPUB.
MAP BY T.L. KESLER-SEPT. 1942

DMEA-2873 (mica)

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

June 25, 1954

Memorandum

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

From: Field Team, DMEA - Region VII

Subject: Final Report, DMEA-2873, Contract Idm-E 562 (mica)
Operator: Empire Mica Co., Spruce Pine, N. C.
Short-Mitchell Mine, Upson County, Georgia

Enclosed are four copies of the subject final report. The Field Team agrees with the recommendation that a certificate of discovery should not be issued, but the lien should be preserved in the event some other Operator takes over the mine and completes the exploratory work. How?

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

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

DMEA REPORTS
Mr. Dietrich
.....
Chief, Minerals Division
Calvin Pierson
Mt. Weather
For your information and review
Calvin Pierson

Reviewed by
DMEA OPERATING COMMITTEE
7-2-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
BY
FIELD TEAM, REGION VII

On
DMEA-2873, SHORT-MITCHELL MINE (mica)
Upson County, Georgia

By

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

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

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

June, 25, 1954

Reviewed by
DMEA OPERATING COMMITTEE
7-2-54
(date)

FINAL REPORT
On
DMEA-2873, Idm-E562, SHORT-MITCHELL MINE
(mica)

Operator: Empire Mica Company, Spruce Pine, North Carolina

The Short-Mitchell Mine is 3.4 airline miles and 4 miles by road S.20°W. of Yatesville, Upson County, Georgia.

Work completed under the contract consisted of sinking and timbering a 49.5-foot vertical shaft. Heavy ground and considerable water were encountered and repeated attempts by the Operator to continue sinking made no significant progress; thus, the contract was terminated by mutual agreement effective June 7, 1954. As no strategic mica was discovered during the work, no certification of discovery should be issued. The field examiners are of the opinion that additional exploratory work is justified but will require employment of very competent miners and operation "around-the-clock".

Pamela Cert. should have been included in view of F.T. comments

Work began on July 1, 1953 and ended on January 29, 1954. A 5'X7', 2-compartment, vertical shaft was sunk and timbered to a depth of 49.5 feet. The lower 10 feet of the shaft has partially caved in due in part to inadequate timbering. Considerable difficulty was encountered in sinking the last ten feet because of heavy ground and much water.

A disconformable pegmatite in excess of 7 feet thick is exposed in the shaft. It strikes about N.20°E. and dips steeply to the north~~east~~west. No zoning is apparent. The pegmatite consists of kaolinized feldspar, quartz and sparse muscovite.

No mica was recovered during the shaft sinking. About 1500 pounds of "mine-run" mica was obtained from old works by the Operator during the period of the contract. It was all badly clay-stained.

Expenditures:

(a) Total approved	$8,600.00
(b) Total cost of project	2,450.00
(c) Government's share of cost	2,205.00
(d) Governments share unexpended	5,535.00
(e) Value of production during operation	None

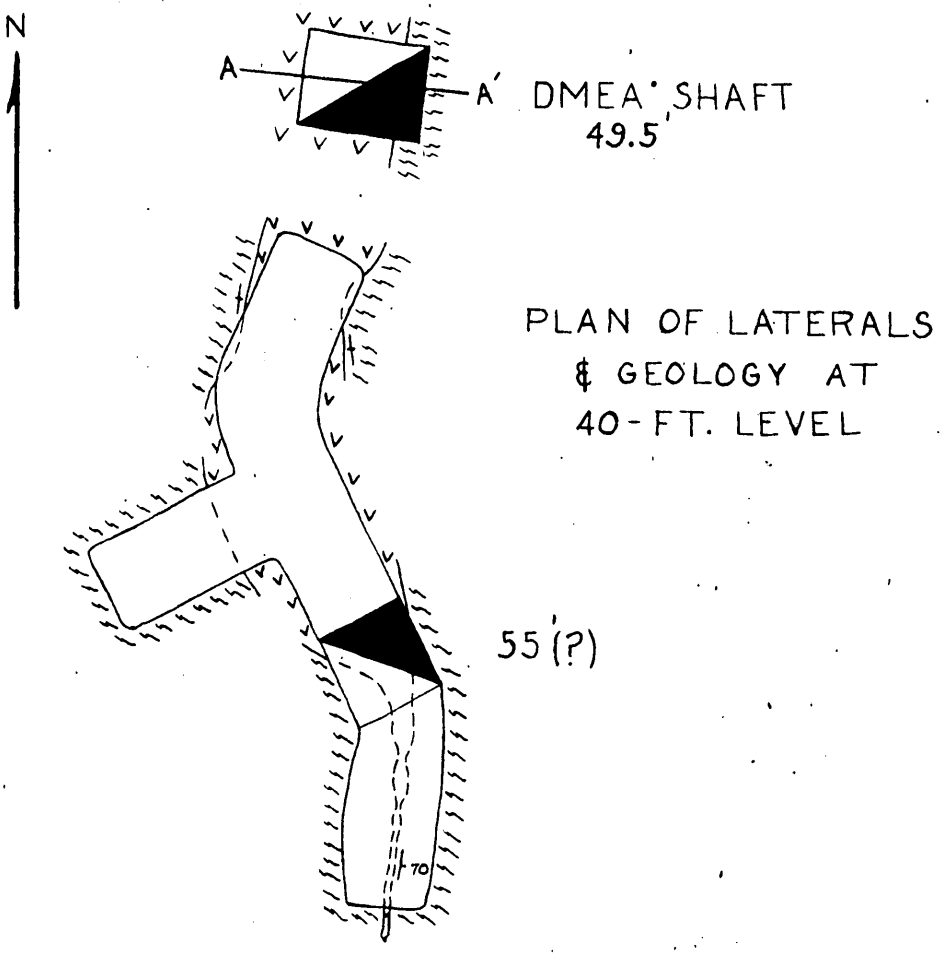
It id the opinion of the field examiners that the heavy ground could have been controlled if operations had been conducted "around-the-clock" when water was first encountered.

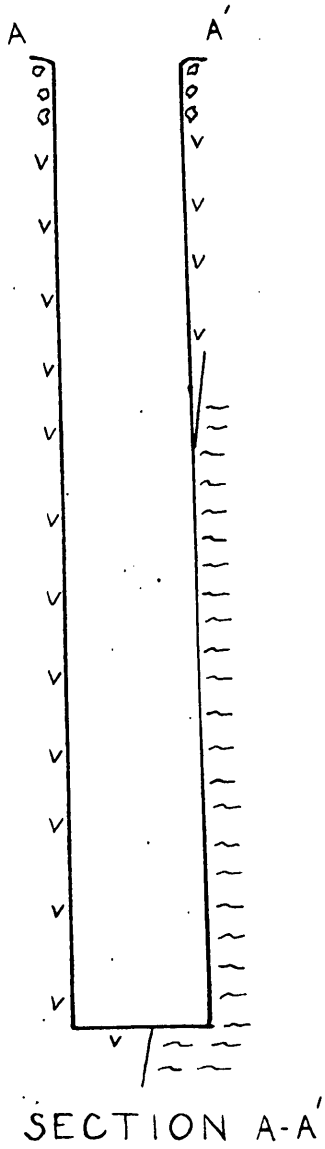
No equipment was purchased under the contract.

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

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

Date: June 25, 1954





0 10 20
SCALE

SHORT MITCHELL MINE

UPSON CO., GA.

DMEA-2873 (mica)

IN PART MODIFIED FROM UNPUB.
MAP BY T.L. KESLER-SEPT. 1942

Spruce Pine, North Carolina

June 25, 1954

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

Re: Short-Mitchell Mine - DMEA-2873
Upson County, Georgia
Final Report

Dear Mr. Laurence:

Work was begun on the Short-Mitchell Mine on or about July 1, 1953. The work consisted of sinking a 5x7 ft. shaft to a depth of 49 feet. This shaft was timbered from the top to the bottom, and extreme difficulty was encountered after we reached the depth of 36 feet, because the ground was so soft it was next to impossible to make any footage. The operator used a pneumatic sludge pump in his endeavor to keep the soft muck out of the mine. After the 40 foot depth was reached, a sludge pump and a sump pump were used and we were able to sink an additional 9 feet by working practically around the clock. It was at this point that the operator requested termination of the contract.

At no time in sinking the 49 feet did we come in contact with a mica bearing pegmatite. The operator had three different crews, all considered to be good mica miners, and each crew abandoned the mine. They believed it next to impossible to sink the shaft and hold the earth.

The operator appreciates the fact that your office has seen fit to permit us to terminate this contract, in view of the circumstances mentioned above. We wish to thank the DMEA personnel for their cooperation, and will be glad to furnish any additional information required.

Very truly yours,

Sam L. Phillips

P/b

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

JUN 1 1954

June 15, 1954

Memorandum

To: Operating Committee, D. M. E. A. Washington

From: Acting Executive Officer, DMEA - Region VII

Subject: Termination Agreement - Idm-E 562, DMEA-2873, Empire Mica Co. Short-Mitchell Mine (mica) Georgia

Transmitted herewith are three signed copies of the subject Termination Agreement signed by all partners of the Company.

The usual distribution of the other copies has been made.

Wm. A. Beck

Wm. A. Beck

June 10, 1954

Mr. Sam Phillips
Empire Mica Co.
Spruce Pine, North Carolina

Re: DMEA-2873, Idm-K 562 (mica)
Short-Mitchell Mine, Upson Co., Ga.

Dear Mr. Phillips:

Enclosed herewith are six copies of a termination agreement, for termination of the Short-Mitchell contract, which have been signed by Mr. Mittendrf. If this is satisfactory to the Company, please have all six copies signed by John Phillips, Lin Carpenter and yourself and return to me all except the Operator's Copy. If not satisfactory, please return all six copies unsigned, with an explanation of any unsatisfactory provisions.

Please send me your final engineering and geologic report on the work accomplished under this contract, at your earliest convenience.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

RAL/mm
cc:
Beck
Lynch
Opr. Com.
Div. Copy DMEA
Files

140

Docket copy
Surname
Houk
Rubin
Chambers
Martin
Talbert
Rubin
Hofflund
Talbert
Selfridge
Ferguson

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

JUN - 7 1954

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

Re: Docket No. DMEA-2873 (Mica)
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Dear Mr. Laurence:

Reference is made to your memorandum of May 7, recommending termination of the subject contract by mutual agreement, with a provision for payment to the Government of royalty on any future production, regardless of certification.

There is enclosed a termination agreement signed by the Administrator which, if approved by you and executed by the Operator, would bind the Operator for royalty on all future production.

After execution by the Operator, please make the usual distribution of copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

LGHouk/HCRubin/emd 6/2/54

Enclosures 6

Approved:

J. H. Hedges

Member, Bureau of Mines (JHB)

D. M. Larrabee

Member, Geological Survey (JHB)

Copy to: Docket
Adm. R. File
Operating Comm.
L. G. Houk
Mr. Dietrich, B.M.
Mr. Larrabee, GSA
J. L. Hofflund
H. C. Rubin
chron.
pending

R.C.G.

FILE COPY
SURNAME:

140

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

Rewritten by

Houk
Rubin
Chandler
Martin
Talbert

Rewritten
6/2/54

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

Re: Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Dear Mr. Laurence:

Reference is made to your letter dated March 19 to Mr. Sam L. Phillips in connection with the Operator's request for termination of the subject contract.

If the field team examination, scheduled for March 24, 1954, indicated that the Government's obligations under the subject contract should be terminated, you are authorized to execute the enclosed termination agreement and send it to the Operator for execution. In regard to your determination as to whether the Government's obligations should be terminated by agreement, see DMEA Circular 21, Supplement No. 1, dated April 7, 1953, particularly the first paragraph, which applies to agreements as well as notices for termination.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (2/18)

Enclosures 6

Approved:

J. H. Hedges (2/18)
Member, Bureau of Mines

D. M. Larrabee (2/18)
Member, Geological Survey

LGHouk/HCRubin/emd 4/21/54
Copy to: Docket
Adm. R. File
Op. Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk
Mr. Hofflund
Mr. Rubin
chron.
pending

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 18, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

May 7, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Request for Termination of Contract - DMEA-2873, Idm-E 562 (mica) Short-Mitchell Mine, Upson County, Ga. Empire Mica Co., of Spruce Pine, N. C., Operator.

Enclosed are 4 copies of a letter received on March 8, in which the Operator requested termination of the subject exploration contract. At the time, we asked the Operator to attempt to continue, although they have been reluctant to deepen this shaft ever since November, when the depth was about 46 feet.

Mr. Teague, Mr. Amos and Mr. O'Neill have examined the mine in March and April, but no progress has been made. On April 14, the Operator pumped out the shaft, so that they could inspect it, and they affirmed the opinion expressed in the February 5 interim report that, although conditions are difficult, the job could probably be completed if the water level was kept down by keeping the pump active 24 hours a day. It appears that conditions are somewhat more favorable than at the Hampton Mine (DMEA-2859) which was terminated by mutual agreement, and definitely less favorable than at Shell Ridge (DMEA-2610) and the Old Mauney (DMEA-2725) which were terminated, respectively, by mutual consent and for cause.

We, therefore, request permission to terminate the contract by mutual agreement with the Operator, but preserving the Government's interest so that any future Operator would be required to repay in royalties on future production.

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

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

Spruce Pine, North Carolina
Marche 5, 1954

Mr. Robert A. Laurence, Executive Officer
DMEA Field Team, Rgeion 7
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Re: DMEA-2873, Idm-E562
Short Mitchell Mine
Upson County, Georgia

Dear Mr. Laurence:

The Empire Mica Company has encountered serious difficulty in trying to operate the Short Mitchell Mine in Georgia. The principle difficulty is caused by the softness of the material which we are attemping to sink the shaft in. We have had three different crews of miners attempt to sink this shaft and the last crew made two attempts at sinking this shaft. The last time with the help of a mud pump and were unable to make any noticable progress.

All three of the crews mentioned are known to the DMEA Field Team and I believe the Field Team will vouch for the fact that these miners are as good as average if not better.

Because of the extreme difficulty encountered in this mine we respectfully request that this contract be terminated by mutual consent of of the parties.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

SLP/lc

File Copy
Surname:
Anderson
Withenbury

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

APR 1 1954

Mr. Sam L. Phillips
Empire Mica Company
Spruce Pine, North Carolina

Re: Docket No. DMEA-2873 - Mica
Short Mitchell Mine
Upson County, Georgia
Contract No. Idm-E562

Dear Mr. Phillips:

Reference is made to the narrative portion of your January Monthly Operator's Report.

Please refer to Section (c) of Form MF-104 (Rev.). The narrative statement should be a concise description of the progress made, results accomplished, difficulties encountered, type of rock penetrated, amount of pegmatite in the face, estimate of the amount of mica produced. We note that there were only four feet of advance in the shaft for the month of January.

The Operator's Final Report should summarize the work completed, give a statement of the pounds of block mica recovered, and an estimate of the value when sheeted, also a record of any mica sales to the Buying Depot.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 3/31/54
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

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

March 19, 1954

Mr. Sam L. Phillips,

Spruce Pine, North Carolina

Re: DMEA-2873, Idm-E 562 (mica)
Short Mitchell Mine

Dear Mr. Phillips:

Your letter of March 5, requesting termination of the Short-Mitchell contract has been received and considered by the Field Team. We would like to delay a final decision until after Mr. O'Neill and Mr. Amos visit the mine next Wednesday, March 24.

Yours very truly,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

RAL/sm

cc:
Beck
Lynch
Opr. Com.
Files

File Copy
Surname:

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

600

MAR 11 1954

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

Dear Mr. Laurence:

We wish to call your attention to the following dockets, the completion dates of which may require extension by amendment:

Docket	Contract	Completion date
DMEA-2784	Idm-E519	February 14, 1954
DMEA-2785	Idm-E518	February 14, 1954
DMEA-2840	Idm-E507	February 9, 1954
DMEA-2872	Idm-E559	February 28, 1954
DMEA-2873	Idm-E562	March 2, 1954
DMEA-2917	Idm-E561	March 2, 1954
DMEA-2921	Idm-E548	February 15, 1954
DMEA-3008	Idm-E560	March 2, 1954

In those cases where this will be necessary and you approve, will you please furnish us copies of such amendments.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

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

WCAnderson:gad 3/3/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S. 3-11-54

Spruce Pine, North Carolina
March 5, 1956

Mr. Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7
Room 13, Post Office Bldg.
Knoxville 2, Tenn.

Re: DMEA-2973, Idm-2 568
Short Mitchell Mine
Upson County, Georgia

Dear Mr. Laurence:

The Empire Mica Company has encountered serious difficulty in trying to operate the Short Mitchell Mine in Georgia. The principle difficulty is caused by the softness of ho material which we are attempting to sink the shaft in. We have had three different crews of miners attempt to sink this shaft and the last crew made two attempts at sinking this shaft. The last time with the help of a mud pump and were unable to make any noticable progress.

All three of the crews mentioned are known to the DMEA Field Team and I believe the Field Team will vouch for the fact that these miners are as good as average if not better.

Because of the extreme difficulty encountered in this mine we respectfully request that this contract be terminated by mutual consent of the parties.

Very truly yours,

Sam L. Phillips

Sam L. Phillips

SLP/le

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

INTERIM REPORT

On
DMEA-2873, Idr-E 562 (mica)
SHORT MITCHELL MINE

Operator: Empire Mica Company, Spruce Pine, North Carolina

Location: 3.4 airline miles and 4 miles by road S. 20° W. of Yatesville, Upson County, Georgia

The shaft at subject mine has been driven to a depth of 49.5 feet. No work was being done at the last visit and the shaft was flooded. Dump material indicates that the present shaft bottom is highly weathered pegmatite. Contact with the operator revealed that two groups of miners have recently attempted to complete the shaft but both groups quit because of heavy ground conditions. It is the opinion of the examiners that the shaft could be completed if competent miners were employed and operations conducted "around the clock". The operator has been informed of this opinion. About 1500 pounds of "mine-run" mica has been recovered recently from an old shaft at the operators expense. All was badly clay-stained.

February 5, 1954.

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

and

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

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.4
Approval expires 6-30-53.

239

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

D ON VOUCHER & SCHEDULE
Defense Minerals Administration 55

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED
MAR 24 1954
Minerals

Month of January, 1954 Docket No. DMEA 2873 Contract No. Idm- E 562
Operator's Name Empire Mica Company
Address Spruce Pine, N. C.
Contract Amount, $ 8,600.00 Government Participation: 90% Amount, $ 7,740.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shafting (4 ft.)	200.00	2250.00	2450.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$200.00	$2250.00	$2450.00	200.00	2,250.00	2,450.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 3-1-54 *Payee Empire Mica Company

Per Sam L. Phillips Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 180.00

Signature Cora A. Pierce (Authorized Certifying Officer)

Date MAR 16 1954 Vou. No. 239

(See other side)

3 20.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-562 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date 3-9-54

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Sweeney Title EXECUTIVE OFFICER DMEA REGION VII Date MAR 11 1954

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.1
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1954

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Jan. 195 4 Docket No. DMEA 2873 Contract No. Idm- E 562
Operator's Name Empire Mica Company Minerals Mica
Address Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	200.00	4	2450.00	49	50.00	100	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		200.00		2450.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$200.00		$2450.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 3-1-54 Operator Empire Mica Co.

Per Sara L. Phillips Title Partner

REMARKS:

→ NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

RECEIVED
FEB 24 1954

DMEA No. 2873

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of January 1954

Work Accomplished

We have advanced 4 feet of shafting for this month.

Daily Notes

January 1 - 8 Mucked, timbered, dipped out water and drilled.

January 11 - 15 Mucked, timbered, dipped out water and drilled.

January 18 - 22 Mucked, timbered, dipped out water and drilled.

January 25 - 29 Mucked, timbered, dipped out water and drilled.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

BOX L
UNIVERSITY, ALABAMA
REGION VII, SOUTHEASTERN

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 27 1953

November 20, 1953

Interim Report

DMEA No. 2873 - Mica
Short Mitchell Mine
Empire Mine Co.
Spruce Pine, North Carolina
Contract No. Idm-E-562

Subject project was visited on November 18, 1953 with Ben Gildersleve.

At the time of our visit there was no equipment or working men at the property.

The shaft was measured by plumbing and water was standing at 38 feet below the collar. The depth was 46 feet. Examination of the dump showed kaolin with little evidence of mica.

The workmen for the Empire mines were located at the Harp mine and they stated that no mica was recovered from the shaft. It was bottomed in dike material and a flow of water was encountered at the bottom that they were unable to handle. He thought that they did not intend to do any more work at the property.

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

Ben Gildersleve

Ben Gildersleve,
U. S. Geological Survey

JFO'Neill:al

cc: Regional Director, Region VII
R. A. Laurence, orig. & 5
V. J. Lynch
A. A. McKinney
Ben Gildersleve
J. F. O'Neill
Day File
File

[illegible]

[illegible]

[illegible]

INSPECTION REPORT

IMSA-2873, Idm-3562 (mica) SHORT-MITCHELL MINE

Operator: Sam L. Phillips, John Phillips, and Lin Gasperson, of Spruce Pine, North Carolina, Partners d/b/a Empire Mica Co.

Location: The mine is located 3.4 airline miles and 4 miles by road S. 20° E. of Yatesville, Upson County, N. C.

This mine was idle, when visited by the examiners, awaiting pumping equipment. The shaft was measured and found to be 39 feet deep with 15 feet of water in it. The foreman who accompanied the examiners stated that the bottom of the shaft was about one-half in pegmatite which was dipping steeply to the west.

August 21, 1953

W. L. Beck

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

Keflow H. Teague

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

zm

C
O
P
Y

August 11, 1953

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

Dear Mr. Laurence:

Attached herewith is one copy each of contracts Idm-E553, 557, 559, 560, 561, 562, 563, and 565.

These "extra copies" are for use of your office in making reports on these projects.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

Attachments - 8

REAdams:meb
8/11/53
cc: to Adm. Reading File
Mail & Files Dr.

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

Mr. Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August 3, 195 Docket No. DMEA 2873 Contract No. Idm-E 562

Operator's Name Empire Mica Company Minerals Mica

Address Spruce Pine, N. C.

Contract Amount, $ 8,600.00 Government Participation: 90 % Amount, $7,740.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Shafting	350.00	1900.00	2250.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	350.00	1900.00	2250.00	350.00	1900.00	2,250.00

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-16

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Oct 11 53 *Payee Empire Mica Company

Per Sam L. Phillips Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

35.00

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$315.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date SEP 23 1953 Vou. No. 85

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E-562 in accordance with the terms of the contract.

Signature J. F. O'Neill Title Engineer Date 9/17/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature W. G. Beck ACTING EXECUTIVE OFFICER Title DMEA REGION VII Date SEP 18 1953

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1953 Docket No. DMEA 2873 Contract No. Idm-5 562

Operator's Name Empire Mica Company

Minerals Mica

Address Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	350.00	7	2250.00	45	50.00	100	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		350.00		2250.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date 9-11-53 Operator Empire Mica Co.

Per Sam L. Phillips Title Partner

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

[illegible]
[illegible]
[illegible]
[illegible]

[illegible] No. 8673

UTAH STATE
MONTHLY PROGRESS REPORT
for the
Month of August, 1953

Work Accomplished

To have advanced 7 feet of shafting for this month.

Daily Notes

August 3 - 7	Muked, timbered, dipped out water and drilled.
August 10 - 14	Muked, timbered, dipped out water and drilled.
August 17 - 21	Muked, timbered, dipped out water and drilled.
August 24 - 28	Muked, timbered, dipped out water and drilled.

Not to be used.

G U A R A N T Y

In consideration of the waiver by the United States of America of the requirement of the Owner's Consent to Lien, as set forth in paragraph 2 (b) of the attached Exploration Project Contract, the undersigned jointly and severally hereby guarantee payment to the United States of America of any royalties, as specified in said Contract and any future amendment thereof, upon any and all ore which is mined within ten years of the date of said Contract from the land described in Article 2 thereof, regardless of whether the undersigned have any interest in the property covered by the said Contract, or any part in the mining operations at the time said ore is mined. If for any reason the net smelter returns or other net amounts, from operations that would be subject, under the said Contract and any amendment thereof, to such payments to the United States of America, are not available as a means of measuring the amount of such payment, then the undersigned agree and undertake jointly and severally to make such payment according to the best estimates of the amount that can reasonably be made, and in the event of dispute as to such estimate, the undersigned agree jointly and severally that the determination thereof by either the Administrator of Defense Minerals Exploration Administration, or his designee, shall be final and binding upon the undersigned.

Dated _____, 1953.

_____(Seal)
Sam L. Phillips

_____(Seal)
John Phillips

_____(Seal)
Lin Carpenter

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 30 1953

July 28, 1953

Memorandum

To: Operating Committee - D M E A Washington

From: Acting Executive Officer - Region VII

Subject: Signed Contract. Idm-E562, DMEA-2873. Empire Mica Co. N. C.

Transmitted herewith are three copies of the above subject contract which have been signed by the Operator. The usual distribution of the other copies have been made.

Wm A Beck

Wm. A. Beck

cc
7-30

FILE COPY
SURNAME:

140

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

JUL 1 6 1953

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

Re: Empire Mica Company (Mica)
Short-Mitchell Mine
Upson County, Georgia
Docket No. DMEA-2873
Contract Idm-E562

Dear Mr. Laurence:

This is in reply to your memorandum of July 7 to the Operating Committee in the above-entitled matter.

This contract was originally drawn on June 11, when the Legal Division pointed out that the Operator had no lease of the property but only an option to purchase expiring December 22, 1953. Therefore, the Operator could not then be called a lessee in possession, in Article 2(b) of the contract form. However, as the option was poorly drawn and it seemed as if the owner was not a particularly literate individual, it was thought that it may have actually been intended that the Operator have the right to explore for minerals even before the exercise of the option. Nevertheless, it was decided that no contract should be given to the Operator until at least a written statement was obtained from the owner that the Operator had the right of exploration until December 22, 1953.

Subsequently, on June 17, the Operator obtained a lease from the owner, and reference to this new lease was made in Annex II. In Article 2(b) of the contract form, the words "a lessee" may be again inserted, although it is unimportant, because the Operator is actually described as a lessee in Annex II to which reference is made in Article 2 itself.

An Owner's Consent to Lien could not be obtained, and it was waived by the Administrator in this case. A written guaranty by the Operator was not required, because Article 10 of the contract form was altered so that, "if the Operator abandons the property, he will still be responsible for payment of royalties if there is any production from the land, and the contract therefore obligates the Operator to do exactly what a guaranty by him would require."

Your letter indicates that you are carefully reading these documents. We hope that this letter will clarify the situation.

Sincerely yours,

George C. Selfridge (2HB)
Chairman, Operating Committee

Approved:

7-16-53

J. H. Hedges (2HB)
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey (2HB)

AEKane:ep 7-14-53

Copy to: Mails & Files
Admr. R. File
Oper. Comm.
Mr. Thayer
Mr. Hedges
Mr. Houk
Mr. Hofflund
Mr. Kane
Chron.
Pending

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1953 Docket No. DMEA 2873 Contract No. Idm-E 562
Operator's Name Empire Mica Company Minerals Mica
Address Spruce Pine, N. C.
Contract Amount, $ 8,600.00 Government Participation: 90 % Amount, $ 7,740.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent / Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
Shafting	1900.00	None	1900.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1900.00		1900.00			

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 8-20-53 *Payee Empire Mica Company

Per Sam L. Phillips Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 1710.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date SEP 2 1953 Vou. No. 57

(See other side)

1st 2/6/52

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E.562 in accordance with the terms of the contract.

Signature J F O'Neill Title Engineer Date 8/28/53

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Benjamin Eilderbrun ACTING Title EXECUTIVE OFFICER DMEA REGION VII Date 9/1/53

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 195 3 Docket No. DMEA 2873 Contract No. Idm-E 562
Operator's Name Empire Mica Company Minerals Mica
Address Spruce Pine, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1900.00	38	1900.00	38	50.00	100	50.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc								
TOTAL COSTS		1900.00		1900.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 8-20-53 Operator Empire Mica Company

Per Sam L. Phillips Title Partner

NOTE.—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.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

OPERATORS
MONTHLY PROGRESS REPORT
for the
Month of July, 1953

Work Accomplished

Set up machinery, and started shafting advancing 38 feet for the month.

Daily Notes

July 1 - 3	Cleared around Mine site and set up machinery.
July 6 - 7	Mucked and timbered.
July 9 - 13	Drilled
July 14	Mucked and timbered.
July 15 - 17	Drilled
July 20	Mucked and timbered.
July 21 - 23	Drilled encountering water.
July 24	Mucked and timbered and dipped out water.
July 27 - 29	Drilled
July 30 - 31	Drilled, Mucked and dipped out water.

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

July 7, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, DMEA - Region 7

Subject: DMEA-2873, Idm-E562 (mica) Short-Mitchell Mine, Upson Co., Ga.
Empire Mica Co., Operator

We have received your letter of July 2, with the original and 5 copies of the subject exploration contract for signature by the Operator.

We do not understand why, in Aritcle 2b, the words "a lessee" have been struck out and the Operator is represent as "in possession and entitled to possession," when Annex II indicates that the Operator has only a 5-year lease. There is no indication that the option to purchase, mentioned in the original application, has been exercised, and the lease is dated June 17, only 3 weeks ago. Under these conditions, why was the Owners Consent to Lien waived, without a quaranty from the Operator (as in the case of DMEA-2872 and 2733, with the same Operator)? Mr. Mittendorf's letter of March 11 to the Operator stated that an Owner's Consent to Lien is needed, and that form MF-203 was enclosed.

We are, therefore, holding this contract for clarification of these points, and will present it to the Operator for signature when we receive either this clarification, or the necessary documents if their omission is due to an error.

Robert A. Laurence

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

Wm A Beck

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

Spruce Pine, North Carolina
June 22, 1953

Mr. Lawrence G. Houk
Nonmetallic Minerals Division
Department of Interior DMEA
Washington 25, D. C.

Subject: DMEA-2873
Short-Mitchell Mine

Dear Mr. Houk:

Over the past 6 months I have endeavored to get the Landlord of the Short-Mitchell Mine to sign the Owner's Consent To Lien. The landlord is an iliterate man, but relies one hundred per cent on the advise of his attorney, and to date we have not been able to get the Owner's Consent To Lien signed. Empire Mica Company employed an attorney in Barnesville, Georgia, and he has made several attempts to get the owner to sign the Owner's Consent To Lien, but has been unable to get same signed.

Empire Mica Company is a partnership, is doing business as the Short-Mitchell Mica Miners, and Empire Mica Company will be glad to sign the Government's guarantee.

Thank you for your cooperation, I am.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips, Partner

SLP/lc

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 23 1953

FILE COPY
SURNAME:

Feitler
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION 600
WASHINGTON 25, D. C.

June 11, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Divn.

Subject: Waiver of MF-203

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short Mitchell Mine
Upson County, Georgia

Recommendation: It is recommended that the Administrator waive the Owner's Consent to Lien in this case.

Data and conclusions:

Sam L. Phillips, John Phillips and Lin Carpenter, a partnership (Empire Mica Company), have requested that the Owner's Consent to Lien be waived and each has submitted a financial statement and is willing to give a personal guaranty for royalty payments under an exploration contract.

Financial statements submitted by the three partners indicate net worth as follows:

4/15/53	Sam L. Phillips	$36,000.00
3/31/53	John Phillips	81,033.81
4/16/53	Lin Carpenter	118,000.00
	Total	$235,033.81

The estimated cost of the project is $8,600.00 and Government participation, at 90%, is $7,740.00. On the basis of their aggregate net worth, the Nonmetallic Minerals Division recommends waiving the Owner's Consent to Lien, provided that the partners execute personal guarantees with the contract.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 6/11/53
Copy to: Admr. R. File
Docket File
Mr. Houk

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

June 11, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Divn.

Docket No. DMEA-2873 - Mica
Empire Mica Company
Short Mitchell Mine
Upson County, Georgia

Subject: Waiver of MF-203

Recommendation: It is recommended that the Administrator waive the Owner's Consent to Lien in this case.

Data and conclusions:

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The estimated cost of the project is $8,600.00 and Government participation, at 90%, is $7,740.00. On the basis of their aggregate net worth, the Nonmetallic Minerals Division recommends waiving the Owner's Consent to Lien, provided that the partners execute personal guarantees with the contract.

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 31 day of March 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	2160 24	Bills Payable for Merchandise	
Bills receivable, all good		Notes Due Banks	10225 00
Accounts receivable, all good		Notes to Individuals	2500 00
Merchandise (How Valued)			
Cash Value of Life Insurance	5000 00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures		Mortgages or Liens on Real Estate	
Real Estate Belonging to Firm		Indebtedness and of what composed: ½ of Phillips & Coulter	6509 22
Personal Real Estate	15000 00	⅓ of Carpenter & Phillips	3261 95
Other Assets and of what composed: ½ Phillips & Coulter	51504 23	½ of Nurland Motor Center	4000 00
⅓ Carpenter & Phillips	10805 51		
½ Nurland Motor Center	6000 00		
Mineral Interest	17000 00	Total Liabilities	26436 17
		Net Worth	81033 81
Total	107469 98	Total	107469 98

Contingent Liability. Accommodation Endorsements None
Endorsed Bills Receivable Outstanding

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
House & Lot in Spruce Pine		$ 15000.00	$	$
Business Bldg of Phillips & Coulter		$ 60000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Title to Business Building in Name of John T. Phillips & C. V. Coulter

INSURANCE

FIRE—Buildings $ Personal Property $ Merchandise $
LIFE—$ 10000.00 Who is the beneficiary Willie Mae Phillips

Sworn to and subscribed before me this
day of 19
Notary Public.

Please sign here John T. Phillips Jr
By
Date Signed 19

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the 15 day of April 1953, which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	10 00 00	Bills Payable for Merchandise	200 00
Bills receivable, all good	16 00 00	Notes Due Banks	2000 00
Accounts receivable, all good			
Merchandise (How Valued)			
Cash Value of Life Insurance	10000 00	Bills Payable, otherwise disposed of	
Stocks and Bonds	100 00	Open Accounts	
Machinery and Fixtures	8000 00	Mortgages or Liens on Real Estate	6000 00
Real Estate Belonging to ~~Firm~~	23500 00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	5200 00
		Net Worth	36000 00
Total	44200 00	Total	44200 00

Contingent Liability. { Accommodation Endorsements ..... / Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
325A Ashby St. Alexandria, Va.	1/8	$12000.00	$	$5000.00
1 lot Athens, Ga.	1/2	$ 500.00	$	$ none
Farm Wing, N.C.	125	$ 6000.00	$	$ none
Woodlawn, N.C.	5	$ 5000.00	$	$ 1000.00

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows The ones at Alexandria Va., Athens, Ga. and Woodlawn, N.C. are in my wife's name too.

INSURANCE

FIRE—Buildings $ ..... Personal Property $ 5000.00 Merchandise $ .....

LIFE—$ 10,000.00 Who is the beneficiary Wife

Sworn to and subscribed before me this ..... day of ..... 19 .....

..... Notary Public.

Please sign here

By Sam L. Phillips

Date Signed April 16, 1953

FINANCIAL STATEMENT

To THE NORTHWESTERN BANK

The undersigned, for the purpose of procuring credit from time to time from you for the negotiable paper of the undersigned or otherwise, furnish you with the following statement, which fully and truly sets forth the financial condition of the undersigned on the ..... day of ..... 19....., which statement you can consider as continuing to be full and accurate unless notice of change is given you. The undersigned agree to notify you promptly of any change that materially reduces the pecuniary responsibility of the undersigned.

In consideration of the granting of such credit the undersigned agree that if the undersigned at any time fail or become insolvent, or commit an Act of Bankruptcy, or if any of the representations made below prove to be untrue, or if the undersigned fail to notify you of any material change as before agreed; then and in either such case all obligations of the undersigned held by you shall immediately become due and payable without demand or notice, and the same may be charged agaisnt the balance of any deposit account of the undersigned with you, the undersigned hereby giving a continuing lien upon such balance of deposit account from time to time existing to secure all obligations of the undersigned held by you.

ASSETS		LIABILITIES	
Cash on Hand and In Bank	8800.00	Bills Payable for Merchandise	
Bills receivable, all good	25000.00	Notes Due Banks	300.00
Accounts receivable, all good			
Merchandise (How Valued)	25000.00		
Cash Value of Life Insurance	2500.00	Bills Payable, otherwise disposed of	
Stocks and Bonds		Open Accounts	
Machinery and Fixtures	50000.00	Mortgages or Liens on Real Estate	none
Real Estate Belonging to ~~Firm~~	7000.00	Other Indebtedness and of what composed	
Other Assets and of what composed		Total Liabilities	300.00
		Net Worth	118000.00
Total	118300.00	Total	118300.00

Contingent Liability. { Accommodation Endorsements ..... Endorsed Bills Receivable Outstanding .....

SCHEDULE OF LAND

Location and Description	Acres	Estimated Value	Valuation Assessed	Mortgage
Dwelling house Spruce Pine, N.C.	1	$ 4000.00	$	$
Other land in Spruce Pine, N.C.	2	$ 2000.00	$	$
		$	$	$
		$	$	$

TITLE:—The title to all the above described Real Estate is in my name solely, except as follows: Dwelling house in my wife's name too. Other land in name and Yoder children.

INSURANCE

FIRE—Buildings $ 30000.00 Personal Property $ ..... Merchandise $ .....

LIFE—$ 2500.00 Who is the beneficiary wife

Sworn to and subscribed before me this ..... day of ..... 19.....

..... Notary Public.

Please sign here .....

By Lin Carpenter

Date Signed April 16, 1953

FILE COPY
SURNAME:

Feitler
Houk
Chrysler
Selfridge
Hedges

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

JUL 2 1953

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

Subject: Docket No. DMEA-2873 - Mica
Empire Mica Company
Short-Mitchell Mine
Upson County, Georgia

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, insert the time for starting and completing the work in Article 3 of the contract and 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 it 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 Bureau of Mines and the Geological Survey are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

J. E. Hedges

Member, Bureau of Mines (JEH)

E. L. McKnight

Acting Member, Geological Survey (ELM)

Enclosures 10

SAFeitler:gad 6/24/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.L. 7-2-53

UNITED STATES 140
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 11, 1953

Memorandum

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Sam L. Phillips, John Phillips, and Lin Carpenter, Partners, doing business as Empire Mica Company, Docket No. DMEA-2873 (Mica)

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the following:

1. In this case, the Operator has a 12-months' option expiring December 22, 1953, to purchase all mica and minerals on the property which is to be the subject of the exploration project. He has no lease of the premises and no right to go on until the option is exercised. It seems that the option was very poorly drawn and that it may have been intended that the Operator have the right to explore for such minerals even before the exercise of the option. Therefore, this contract should not be given to the Operator until the Operator obtains from the owner of the property, Robert Howe, a statement that the option was intended to grant the Operator the right of exploration up to December 22, 1953, and that this right is extended to the Operator.

2. The Option Agreement was not given to the Short-Mitchell Mica Miners, but to the Empire Mica Company, a partnership whose membership is apparently composed of the same individuals who compose the Short-Mitchell Mica Miners. Therefore, the contract has been drawn in the name of the said individuals doing business as a partnership called the Empire Mica Company.

3. The Owner's Consent to Lien not being obtainable, it is understood that you are waiving the necessity for obtaining it. However, the contract has been altered so that, if the Operator abandons the property, he will remain responsible for payment of royalties if there is any production from the land.

J. L. Hofflund
Chief Counsel

Attachments

FILE COPY
SURNAME:

140

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

June 11, 1953

Memorandum n. s. in P.R.

To: The Administrator
Through: Mr. L. G. Houk

From: Chief Counsel

Subject: Sam L. Phillips, John Phillips, and Lin Carpenter, Partners, doing business as Empire Mica Company, Docket No. DMEA-2873 (Mica)

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A. E. Kane for
J. L. Hofflund
Chief Counsel

Attachments

AEKane:ep

Copy to : Mails & Files
Mr. Hofflund
Mr. Kane
Chron.

Short-Mitchell Mine

DMEA-2873

Whitetin

JUN 8 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 8 1953

Spruce Pine, North Carolina
June 5, 1953

Mr. Lawrence G. Houk
Nonmetallic Minerals Division
Department of Interior, DMEA
Washington 25, D. C.

Subject: DMEA-2873
Re: Exploration Assistance
Short-Mitchell Mine

Dear Mr. Houk:

Please correct the meets and bounds of the legal description of the Short-Mitchell Mine to begin as follows:

Beginning on an Oak Tree (which is approximately 100 ft. E. of the existing shaft at the Short-Mitchell Mine) and runs N. 23 degrees W. 109 ft.-----

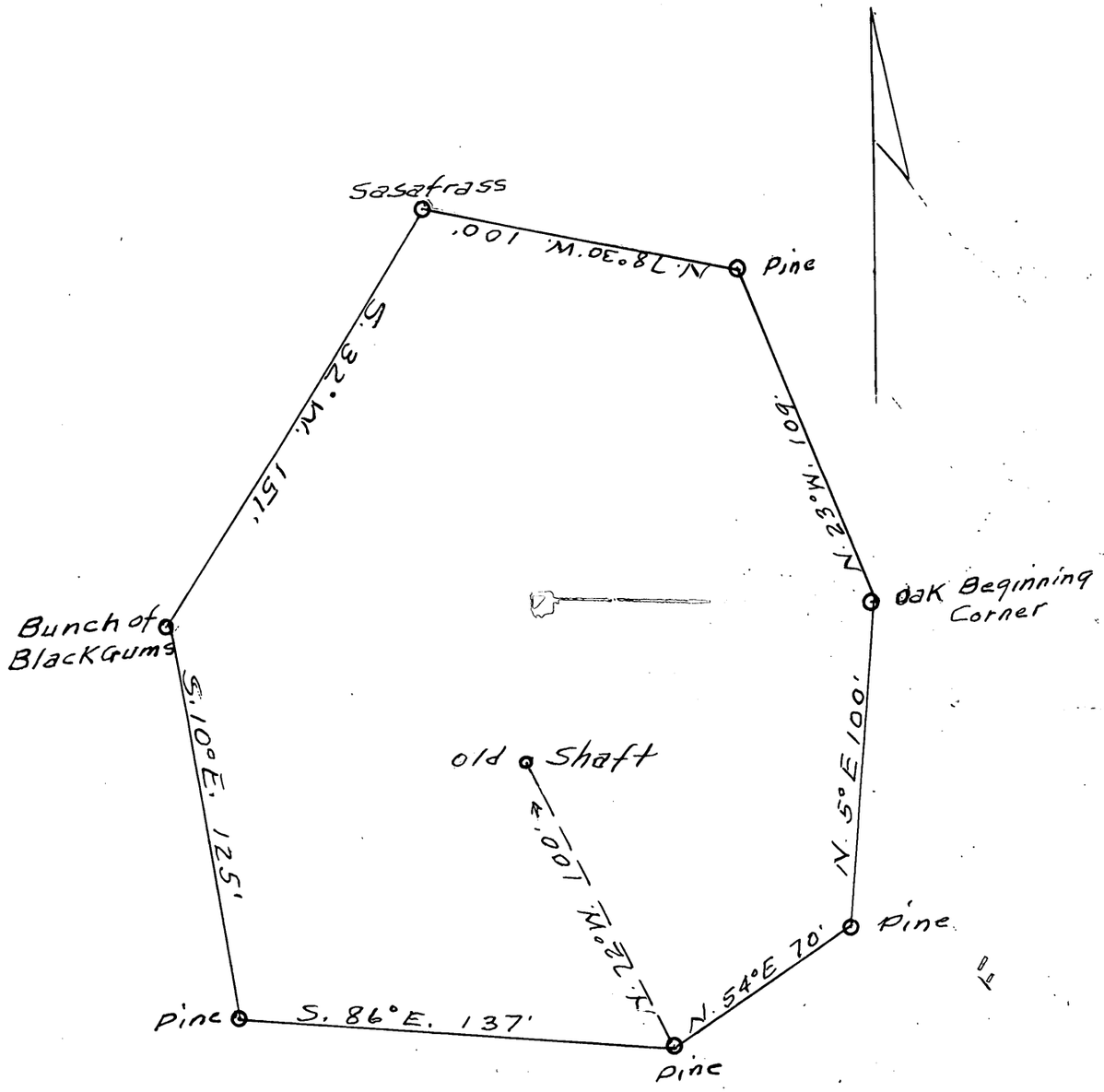
Thank you for your cooperation, I am.

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

SLP/lc



Map of the Robert Howe
Property at Thomaston Ga. Rt. 2
Leased to S.L. Phillips
Scale 1 inch = 50 Feet

May 28-1953 Geo W McKinney Surveyor

FILE COPY
SURNAME:

Houk

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

APR 23 1953

Mr. Sam L. Phillips
Short-Mitchell Mica Mines
Spruce Pine, North Carolina

Subject: Docket No. DMA-2873 - Mica
Short-Mitchell Mine
Upson County, Georgia

Dear Mr. Phillips:

Reference is made to the circular legal description of the leased area in the subject application.

Circular legal descriptions are to be avoided. Please provide a legal description for the property involved using bearings and distances. The plot may be oriented so that only the four cardinal points of the compass and four distances are needed. The point of beginning of the legal description should be tied to a property corner or to a point along the property line which can be relocated at some future date.

Sincerely yours

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

4/23/53

LGHouk:fls 4/23/53

Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3626
Mr. Larrabee, G-232, GSA Bldg.
Field Team, Region VII
Mr. Houk

Mr. Fletcher

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 7 1953

April 7, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2873, Mica, Short-Mitchell Mine
Upson County, Georgia

I concur in the field team's recommendation for an exploration program in the amount of $8,600.

W. F. Dietrich (rlc)

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM

Mr. Feitler

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

March 31, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 1 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2873 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Short-Mitchell Mica Miners, c/o Sam L. Phillips
Name of property: Short Mitchell mine.
Location of property: 3.4 miles S. 20° W. of Yatesville, Upson County, Georgia.
Date of field team report: March 17, 1953.
Authorship of field team report: Teague & O'Neill.
Field team's recommendation:
Stage I - Clean off sides of old caned shaft.
Clean sides and roof of caned drift.
Stage II- 100' x 5' x 7', 2-compartment shaft.
100' x 6' x 7' drift.
Comments:
Field team report is not encouraging.
ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 43, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 23 1953

Memorandum

To: Operating Committee, D M E A- Washington

From: Field Team, DMEA-Region 7

Subject: Field Examination Reports.

Transmitted herewith are four copies each and six extra copies of the maps for the following recommended projects:

DMEA-2873, Short-Mitchell Mine (mica)
DMEA-2872, Harrison W. Harp Mine (mica)
DMEA-2886, Connolly Mine (mica)
DMEA-2861, White Oak Creek Mine (mica)
DMEA-2875, Cox Mine (mica)
DMEA-2914, Rev. Thaddeus Persons Mine (mica)
DMEA-2870, Grant Laws Mine (mica)

The Field Team is in agreement with the recommendations set forth in the above applications.

Wm. A. Beck, Acting
Executive Officer, DMEA
Region 7.

Benjamin Gildersleeve
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
3-27-53
(date)

GCS
6/29/53

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

on

DMEA-2873, SHORT-MITCHELL MINE, (Mica)
Upson County, Georgia

By

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

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

March 17, 1953

Report of Field Team Examination on

DMEA-2873, SHORT-MITCHELL MINE , (Mica)

Applicant: Short-Mitchell Mica Miners, c/o Sam L. Phillips
Spruce Pine, North Carolina

This mine has been worked only to a limited extent. At present none of the openings are accessible. Mica from the dump is of excellent quality, but clay stained. The field examiners are of the opinion that the deposit warrants exploration.

This deposit was examined on March 6, 1953. The field examiners were accompanied on the examination by John Phillips and G. Young. Two hours were spent on the inspection.

The Short-Mitchell mica mine is located 3.4 airline miles and 4 miles by road S. 20° W., of Yatesville, Upson County, Georgia. Access to the mine is good at all seasons of the year.

The applicants are competent to conduct proposed exploration.

This property is held under a one year option to buy by the applicants. The option to purchase is on a circular area of 150 foot radius, centered at the old mine shaft. All of the area included in this circle is covered by the option to purchase. Sufficient area is covered by the option to provide adequate working space for the proposed exploration.

The mine consists of a single shaft, from which short drifts have been driven to the north and south at the 40-foot level. Originally this shaft is reported to have been 58 feet deep, all of which was timbered. The shaft is now coved to the 26 foot level and the drifts are caved to the same level. Ground water level is between 30 and 40 feet from the surface. Both the biotite gneiss wall rock and the pegmatite are thoroughly weathered.

A general plan of the existing workings and the location and extent of the proposed exploration are shown on the attached map. The pegmatite body is of uneven thickness and of irregular dip, which appeats to average vertical. It is reported to have been exposed in the shaft from the surface to the bottom. According to T. L. Kesler, "the pegmatite in the drifts is a medium fine grained, rather even texture of decomposed feldspar and quartz containing unevenly and rather sparingly distributed muscovite, and a smaller, but considerable amount of coarse biotite partly altered to vermiculite. The muscovite is clear, light ruby, and the cleavage appears to be good."

The description of this mine, PP. 39 & 40, of Georgia Geological Survey Bull. 48, 1943, as given by Furcron and Teague, is based on notes taken by Furcron during the period of activity in the summer of 1942. Furcron found numerous schist inclusions in the pegmatite with apparent concentrations of mica adjacent to the inclusions. Apparently mica books weighing up to 35 pounds were recovered during the period of mining.

The chief defect of mica from this mine is clay staining and ruling. The mica is hard, flat, clear, and splits well.

Mining at the Short-Mitchell Mine began in early 1942 and continued until late 1942. This work was conducted by J. T. Mitchell and later by M. S. Black. After 1943 the deposit was tied up by legal action, growing out of a dispute over ownership of the lease, thus it remained inactive during the remainder of World War II. Past production from this mine is not known. Kesler states that it is estimated that the mine produced between six and seven thousand pounds of mica, including punch and scrap.

Except for the applicants' proposed bulldozing there is little difference in their proposal for exploration and that of the field examiners.

The field examiners recommend that the project be set up in two stages. Stage I, should consist of cleaning off the sides of the old caved shaft and doing a limited amount of work cleaning the sides and roof of the caved drifts to allow inspection. This inspection will assist greatly in location of the proposed exploration shaft. Stage II, should consist of sinking a 100-foot exploration shaft as determined from Stage I, and driving 100 feet of exploratory drifts on the pegmatite. It is the field examiners opinion that at the drift level, the pegmatite should be sufficiently firm as to eliminate the need for timbering.

Estimated Cost:

Stage I -

To consist of cleaning off sides of shaft and drifts, and providing access to same:

2 - laborers @ $1.00/hr for 5 shifts	$ 80.00
Ladders and hand tools	20.00
Estimated Cost Stage I.....	$100.00

Stage II

100 foot 5' x7', 2 compartment shaft (timbered) @ $50/ft.	5,000.00
100 feet of 6' x7' drift @ $35/ft.	3,500.00
Estimated cost Stage II	$8,500.00
Estimated cost of Stages I and II	$8,600.00

Estimated time required - 4 months.

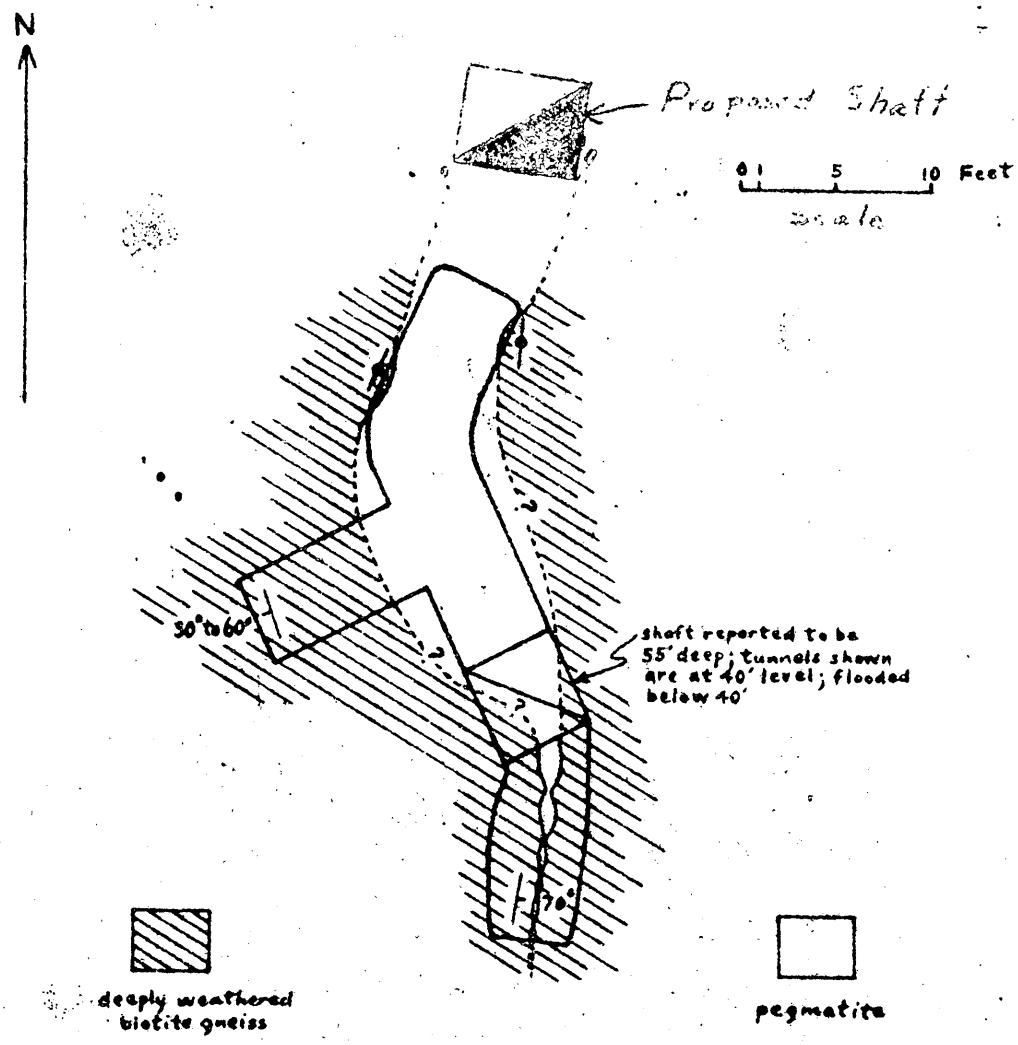
March 17, 1953

K. H. Teague, USGS

J. F. O'Neill, USBM.

Fig. 12

Fig. 12



Plan of the 40' level of the Short-Mitchell mica mine, Upson County, Ga.

Geologic contacts shown by dashed lines are inferred.

T. L. Kesler

Sept. 21, 1942

DMEA-2873

FILE COPY
SURNAME:

Feitler
Houk
Lemmon
Selfridge

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

6

MAR 11 1953

Mr. Sam L. Phillips
Short-Mitchell Mica Mines
Spruce Pine, North Carolina

Re: Docket No. [illegible]-2373 - Mica
Short-Mitchell Mine
Upson County, Georgia

Dear Mr. Phillips:

Your application for assistance in exploring your property has been reviewed by the Nonmetallic Minerals Division of the Defense Mineral 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 a field examination.

The Regional Office will contact you at an early date in regard to the examination of your property. Any assistance that you may give the members of the field team in the examination will be appreciated.

The mine is described in the purchase option as a circle having a radius of 150 feet from an indefinite point and the phrase "that is owned by the undersigned" suggests that all of this circular area may not be owned by Mr. Rose. Please submit a definite description of the area actually under option.

An Owner's Consent to Lien is needed to make your interest in the land sufficient for the purposes of an exploration project contract. We are enclosing eight copies of Form [illegible] for your convenience.

Sincerely yours,

C. O. Mittendorf (for)
Administrator

S.H.
3/11/53

MFFeitler:gud 3/9/53
Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 8

FILE COPY
SURNAME:

Feitler
Houk
Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 620

MAR 11 1953

Mr. Robert [illegible] Laurence
Executive Officer, DMEA
Field Team, Region VII
Room [illegible], Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. [illegible]A-[illegible]73 - Mica
Short-Mitchell Mine
Short-Mitchell Mica Miners
Union County, Georgia

Dear Mr. Laurence:

Please arrange for a field examination of the subject mine and submit a report with your recommendation for the disposition of this application.

Two copies each of the formula from the Geological Survey and the Bureau of Mines are enclosed for your information.

Please note the remarks referring to the property description in our letter [illegible] and [illegible] to Mr. [illegible] Milligan.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

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

P.H.
3/11/53

Enclosures 4

SAFeitler:gad 3/9/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

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

February 27, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2873, Mica, Short-Mitchell Mine,
Upson County, Georgia

Mica, as reported by the Georgia Geological Survey, Bulletin No. 48, page 41, from this mine was found to be flat, rum colored, ruled, and clay-stained. On the basis of this fact and the applicant's description of present exposures, a field team investigation is recommended.

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 17 1953

February 16, 1953

Memorandum

REVIEW OF APPLICATION DMEA-2873 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Sam L. Phillips and partners, Short-Mitchell Mica Miners, Spruce Pine, North Carolina.
Name of property: Short-Mitchell Mine.
Location of property: 4 miles S. 20° W. (by road) of Yatesville, Upson County, Georgia.
Estimated cost of project: $7,900.00.
Summary of applicant's proposal:

1) Expose pegmatite by stripping the surface and bulldozing a cut about 150 ft. long, 25 ft. wide, and 10 ft. deep.
2) Sink a shaft 80 ft. deep and drift along pegmatite in both directions for about 100 ft.

Sources of information on applicant's property:

1) Furcron, A. S., and Teague, K. H., 1943, Mica-bearing pegmatites of Georgia: Georgia Geological Survey Bull. 48, pp. 39-40.
2) Kesler, T. L., 1942, Short-Mitchell Mine: U. S. Geol. Survey Unpublished Report, 3 pp., incl. map of 40-foot level.

Comments:

1) According to Furcron and Teague, a large amount of mica of excellent quality was mined from this shaft; it is badly clay stained and ruling is common. One 35-lb. book of flat, rum-colored mica was removed. They also say, "This is a very promising prospect."
2) Kesler states, "Much of the mica is small and most of it was sold as punch, washer stock, and scrap."
3) Kesler's map shows pegmatite only a few inches thick in south drift and 8 feet thick in north drift. Kesler and Furcron and Teague do not agree on the shape and trend of the north drift.

RECOMMENDATION:

Field examination.

R. E. Van Alstine

R. E. Van Alstine

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 6 1953

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

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2873
Metal or Mineral
Date Received 2-6-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

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

(*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 See attached copy of option

(*b*) State any mine name by which the property is known. Short-Mitchell Mine

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

(*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.*—State the mineral or minerals for which you wish to explore .....

.....

(*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 ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

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?

☐ 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 ....., 195...

Short-Mitchell Mica Mines
(Applicant)

By Sam L. Phillips, Partner

.....

.....

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

MF 103

1. (a) Sam L. Phillips, John Phillips, and Lin Carpenter all of Spruce Pine, N. C.

   (b) Partnership, N. C.

2. No answer

3. (a) See attached copy of option.

   (b) The only name that we know that has been used for this mine is Short Mitchell Mine.

   (c) Purchaser under contract.

   (d) Contract attached in 3 (a) above.

   (e) Not the owner

   (f) Land is held by landlord. No land patents involved.

4. (a) Physical works set work on map attached as exhibit B.

   (b through d) The description as described in the Georgia Geological Survey Bulletin Number 48, published in 1943, is still applicable to this deposit as little or no work has been done since that report was published.

Short-Mitchell Mine

The mine is located 3.4 miles (airline) and 4 miles by road S. 20° W. of Yatesville via the Yatesville-Butler Road. It is 0.25 miles west of the dirt road and 300 feet N. 26° E. of the Short home. The land is owned by Henry Short.

Work was started here in the summer of 1942 by J. T. Mitchell, and work was carried on by M. S. Black, who has leased the property and plans to mine it in the near future. The works are in the shape of an inverted cross. The shaft is 5 by 5 feet, has a total depth of 58 feet, and is timbered to the bottom. There is about 15 feet of water in the shaft. At about water level, there is a 16-foot drift made in the direction of N. 10° E., but curving north of the entrance slightly to the northwest. The second opening in the side of the shaft, at about the same level, is 7 feet high and 8 feet long.

The pegmatite is enclosed in weathered biotite schist. The total thickness of

the dike could not be determined at the time of the visit. The dike includes schist bands which have a southeast dip, thus suggesting a similar dip for the pegmatite. Mica appears to be concentrated in the vicinity o f the schist bands. The pegmatite is thoroughly weathered, thus the shaft should be carried into hard rock. A large amount of mica was obtained from this shaft and was of excellent quality, but it is badly clay-stained. The mica is flat and rum-colored, and ruling is common. One 35-pound book was removed. Biotite books, as large as 6 by 6 inches more or less altered to vermiculite, are usually associated with the muscovite. This is a very promising prospect.

5. (a) It is anticipated that the pegmatite contains additional quantities of Ruby Mica of stockpile grade.

   (b) We would like to expose the pegmatite by striping the surface this would involve a cut estimated to be 150 feet long, 25 feet wide, 10 feet deep. The mine is on a slight knoll so a bulldozer can be used conveniently. It is estimated it will take 40 hrs. to complete the striping. After that we want to sink a shaft about 80 feet on the pegmatite and drifte along the vein in both directions for about 100 feet.

   (c) The work will be started as soon as the contract is approved by the Government. And the work should be concluded within 6 months.

   (d) The ability of the persons connnected with this project is a matter of record with the DMEA.

6. Estimate of Cost.

   (a) Independent contractors - None

   (b)through h) The cost involved are as follows:

40 hrs. bulldozing @ $10.00 per hr.	$ 400.00
80 ft. shaft @ $50.00 per ft.	4000.00
100 ft. drift @ $35.00 per ft.	3500.00
Total	$7900.00

GEORGIA, UPSON COUNTY.

For and in consideration of the sum of One Hundred Dollars ($100.00), undersigned does hereby give and grant unto Empire Mica Company, a partnership composed of Sam Phillips, John Phillips, and Lin Carpenter, of Spruce Pine, North Carolina, hereinafter called "The Proposed Purchaser", the right and option to purchase all mica and minerals on the property hereinafter described, for a period of twelve (12) months from this date. In otherwords, at any time within said twelve (12) months period, should the said Proposed Purchaser elect to Purchase all mica and minerals on the property hereinafter described, undersigned contracts and binds himself to convey same to the said Proposed Purchaser by warranty deed upon the said Proposed Purchaser paying to the undersigned an additional sum of nine hundred dollars ($900.00).

Undersigned warrants that he has a good merchantable title to the property hereinafter described, and said property is described as follows:

> A certain mica mine lying and being in Upson County, Georgia, and being known as the "Short-Mitchell Mine", which is located on the premises where undersigned now resides, and it is understood and agreed that said mica mine does and shall include all property that is owned by undersigned, which lies within a radius of one hundred fifty (150) feet in every direction from the center of the said Short-Mitchell Mine.
>
> The property above described is a part of the property purchased by undersigned from James R. Davis of Thomaston, Georgia.

It is agreed and understood that should said Proposed Purchaser exercise the rights given in this option that thesaid Proposed Purchaser shall have the right of ingress and egress over the surrounding property belonging to undersigned, andmay establish such road and/or roads over

undersigned's property as may be needed by said Proposed Purchaser. It is further understood and agreed that said Proposed Purchaser may erect such building and/or buildings on said described premises as said Proposed Purchaser may need in order to efficiently mine same, andmay use from said premises such trees and /or logs that may be needed to shore the shaft and/or shafts to said mine.

It is further agreed and understood that any damages by the said Proposed Purchaser, their officers and agents, to the undersigned fences and /or crops is to be paid for by the said Proposed Purchaser.

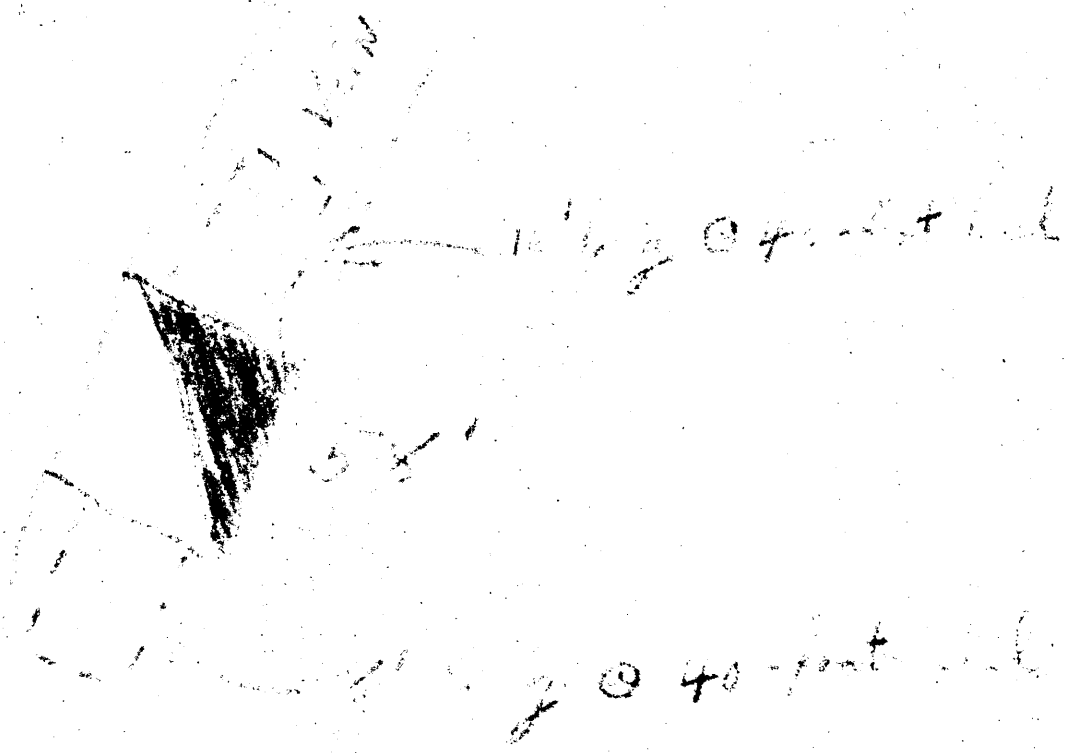
In Witness Whereof, undersigned has hereunto set his hand and seal this the 22 day of December, 1952.

SS/ Robert Howe

Signed, sealed and delivered
in the presence of:

SS/ Cicero S. Burns, Jr.

SS/ Lyla Ingram



Short-Vitkovich N.V.

February 9, 1953

Mr. Sam L. Phillips
Short-Mitchell Mica Miners
Spruce Pine, North Carolina

Subject: DMEA-2873
Re: Exploration Assistance
Short-Mitchell Mine

My dear Mr. Phillips:

The receipt of your application dated February 6, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2873 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2873 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

25451

dmea 2873

GENERAL SERVICES ADMINISTRATION

Spruce Pine, North Carolina

February 2, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 6 1953

Mr. S. L. Phillips
Spruce Pine, North Carolina

Dear Mr. Phillips:

Regarding samples of mica from the Short-Mitchell Mine presented by you, we are pleased to advise that this mica will be acceptable under our mica purchasing program.

Yours very truly,

W. S. Flynt, Superintendent
Spruce Pine Mica Depot

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2873
Metal or Mineral
Date Received 2-6-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Sam L. Phillips, John Phillips, and Lin Carpenter all of Spruce Pine, N. C.
"SHORT-MITCHELL MICA MINERS"

(*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 See attached copy of option.

(*b*) State any mine name by which the property is known. Short-Mitchell Mine

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

(*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*) [redacted]te the mineral or minerals for which you wi[redacted] explore .....

(*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 ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

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?

☐ 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 ....., 195...

Short-Mitchell Mica Miners
(Applicant)

By Sam L. Phillips, Partner

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

1. (a) Sam L. Phillips, John Phillips, and Lin Carpenter all of Sparta Fire, N. C.

   (b) Partnership, N. C.

2. No answer

3. (a) See attached copy of option.

   (b) The only mere that we know that has been used for this mine is Short Mitchell Mine.

   (c) Purchaser under contract.

   (d) Contract attached in 3 (a) above.

   (e) Not the owner

   (f) Land is held by landlord. No land patents involved.

4. (a) Physical works set work on map attached as exhibit A.

   (b through d) The description as described in the Georgia Geological Survey Bulletin number 48, published in 1943, is still applicant to this deposit as little or no work has been done since that report was published.

Short-Mitchell Mine

The mine is located 2.4 miles (airline) and 4 miles by road S. 20° W. of Yatesville via the Yatesville-Butler Road. It is 0.35 miles west of the dirt road and 300 feet N. 26° E. of the Short Mere. The land is owned by Henry Short.

Work was started here in the summer of 1942 by J. T. Mitchell, and work was carried on by H. S. Black, who has leased the property and plans to mine it in the near future. The works are in the shape of an inverted cross. The shaft is 5 by 5 feet, has a total depth of 38 feet, and is timbered to the bottom. There is about 15 feet of water in the shaft. At about water level, there is a 16-foot drift made in the direction of N. 10° W., but curving north of the entrance slightly to the northwest. The second opening in the side of the shaft, at about the same level, is 7 feet high and 8 feet long.

The pegmatite is enclosed in weathered biotite schist. The total thickness of

the dike could not be determined at the time of the visit. The dike includes schist bands which have a southeast dip, thus suggesting a similar dip for the pegmatite. Mica appears to be concentrated in the vicinity of the schist bands. The pegmatite is thoroughly weathered, thus the shaft should be carried into hard rock. A large amount of mica was obtained from this shaft and was of excellent quality, but it is badly clay-stained. The mica is flat and rum-colored, and curling is common. One 35-pound book was removed. Biotite books, as large as 6 by 6 inches more or less altered to vermiculite, are usually associated with the muscovite. This is a very promising prospect.

5. (a) It is anticipated that the pegmatite contains additional quantities of hand-by mica of stockpile grade.

(b) We would like to expose the pegmatite by striping the surface this would involve a cut estimated to be 150 feet long, 25 feet wide, 10 feet deep. The mine is on a slight knoll so a bulldozer can be used conveniently. It is estimated it will take 40 hrs. to complete the striping. After that we want to sink a shaft about 80 feet on the pegmatite and drift along the vein in both directions for about 100 feet.

(c) The work will be started as soon as the contract is approved by the Government. And the work should be concluded within 6 months.

(d) The ability of the persons connected with this project is a matter of record with the DMA.

6. Estimate of Cost.

(a) Independent contractors - None

(b) through h) The cost involved are as follows:

40 hrs. bulldozing @ $10.00 per hr.	$ 400.00
80 ft. shaft @ $50.00 per ft.	4000.00
100 ft. drift @ $35.00 per ft.	3500.00
Total	$7900.00

GEORGIA, LAMAR COUNTY

For and in consideration of the sum of one dollar, the receipt whereof is hereby acknowledged, the undersigned, Robert Howe, does hereby lease for a period of five (5) years from this date unto The Empire Mica Company, a partnership composed of Sam Phillips, John Phillips and Lin Carpenter, of Spruce Pine, North Carolina, all of the mica, minerals and ore lying in, upon and under the following described land, to-wit: A certain mica mine lying and being in Upson County, Georgia, and known as the "Short-Mitchell Mine", which is located on the premises where Robert Howe now resides, and same is described by metes and bounds as follows:

> Beginning on an oak tree and rune North 23 degrees West 109 feet to a pine tree. Then North 78 degrees and 30 minutes West 100 feet to a Small Sasafrass at a dead pine Snag. Then South 32 degrees West 151 feet to a bunch of Black Gum Sprouts. Then South 10 degrees East 125 feet to a pine. Then South 86 degrees East 137 feet to another pine. Then North 54 degrees East 70 feet to another pine. Then North 5 degrees East 100 feet to the point of beginning.

The property above described is a part of the property purchased by undersigned, Robert Howe, from James R. Davis, of Thomaston, Georgia.

In addition to the consideration stated above, the lessee shall pay a royalty of ten (10) per cent of all sales of all ores, minerals and mica sold and shipped from said premises, payment for the same to be made on the 20th day of the month following the sale and actual shipment of said ores, mica and/or minerals; lessee to provide lessor with a statement of weights and an itemized statement of all sales, during the month following the month of such shipment.

If the lessee should fail to pay any of the royalty provided for in the preceding paragraph hereof or fails to provide lessor with the statement of weights and itemized statements of sales of such ores, mineral and mica, the lessor may demand payment and/or such statements by registered mail, addressed to the lessor at Spruce Pine, North Carolina, and the lessee shall have

thirty days from the receipt of said written notice in which to pay the said sums due hereunder and to furnish said written statement and upon failure to make such payment or to make such written statement, lessor has the right to declare this lease null and void.

In addition to the other usual and ordinary rights and privileges which lessees of such properties have in connection with leases of this character, and not in limitation of such rights and privileges, the lessee shall have the right to enter upon, explore, prospect for, mine, dig and remove, and to wash, process, refine, improve, beneficiate, manufacture, or otherwise prepare for the market or for sale any and all mica, minerals, and ore found upon, in or under said property during the period of this lease. Said mica, minerals and ores may be removed from this property and partially or completely washed, processed, refined, improved, beneficiated, manufactured, or otherwise prepared for the market or for sale upon any other property not belonging to lessor.

The lessee shall have the right to construct and erect such plants, buildings, machinery, equipment and devices upon such property as he may deem desirable to the full and complete enjoyment of the rights and privileges herein granted, and this instrument shall be construed to give them the right to use the said property in any way so as to enjoy such rights and privileges to the fullest extent.

Among other rights, the lessee may construct and operate washers, processing and manufacturing plants of all kinds, maintain dirt and rock dumps, mud dams, settling ponds, reservoirs, tramways, roadways, passage ways, railroads, warehouses, storage plants, shops power lines, water lines, pumps, and pumping stations, gas mains, conduits of all kind, and buildings, machinery, equipment and devices of all kinds and character, either on, below or above the ground, for the full enjoyment of the rights and privileges herein granted. This shall include any and all buildings, machinery, equipment, or devices of every kind and character which

may hereafter be deemed advisable by the lessee whether in use at the present time or not.

Lessee shall have the right to conduct water, gas, electricity, or other desirable materials or things, under, over and across said property to be used for the purpose of enjoying the rights and privileges herein granted, (including the use of such timber as lessee may deem necessary in enjoying the rights and privileges herein granted and in constructing any of the things herein permitted.

The lessee shall not be liable for any damage to the surface or timber on said premises, but shall be liable for the damages done crops on said property.

The finished ore, mica and minerals mined from this property shall be kept separate from the ores, mica and minerals mined on other properties. The lessor shall have the right to inspect said ore, mica and minerals and/or records, and the records of shipping weights, etc. during business hours.

Lessor shall have the right at any reasonable time during business hours to inspect the records in connection with the weights and sales slips of the ores, mica, and minerals sold and shipped from the leased premises and to inspect all bills of lading covering shipments of ore, mica and minerals sold and shipped from the leased premises.

Lessee shall have the right to pay the royalties due by check made payable to the order of the lessor and mailed to the last known address of lessor.

Lessee shall have the right to renew this lease for an additional five years by written notice sent by registered mail to the last known address of lessor not less than thirty (30) days prior to the expiration date of this lease.

At any and all times during the life of, and within one hundred twenty (120) days after the termination of this agreement, either by expiration or cancellation, the lessee shall have the right to remove any and/or all buildings, plants, tools,

machinery, equipment, devices and mined ore from said property.

It is agreed and understood that should lessee, at any time for a period of ninety (90) days, fail to mine or to work said mine then at the option of lessor the rights herein given to the lessee shall expire and this lease shall have no further force and effect.

It is agreed and understood that all contracts and agreements hereto before entered into by the parties hereto concerning the mica and mineral rights on aforesaid described property are annulled and voided by this contract. The one hundred($100.00) dollars heretofore paid by lessee to lessor is to be considered an advance royalty on the mica and/or other mineral first mined on said property.

Whenever the terms "lessor" and "lessee" are used in this agreement they shall be deemed to include one or more, as the case may be, and their heirs, successors and assigns.

In witness whereof, said undersigned has hereunto set his hand and affixed his seal in triplicate this the 17th day of June, 1953.

His
Robert x Howe (Seal.)
Mark

Signed, sealed and delivered
in the presence of :

H. Kennedy

Harvey J. Kennedy, Jr. N.P.
Lamar County, Ga.

My com. expires Mar. 21, 1954.

GEORGIA, LAMAR COUNTY.

The above and foregoing lease is hereby accepted and agreed to in all of its terms.

This 17th day of June, 1953.

THE EMPIRE MICA COMPANY

BY Sam L. Phillips
Partner

GEORGIA, LAMAR COUNTY

For and in consideration of the sum of one dollar, the receipt whereof is hereby acknowledged, the undersigned, Robert Howe, does hereby lease for a period of five (5) years from this date unto The Empire Mica Company, a partnership composed of Sam Phillips, John Phillips and Lin Carpenter, of Spruce Pine, North Carolina, all of the mica, minerals and ore lying in, upon and under the following described land, to-wit: A certain mica mine lying and being in Upson County, Georgia, and known as the "Short-Mitchell Mine", which is located on the premises where Robert Howe now resides, and same is described by metes and bounds as follows:

> Beginning on an oak tree and runs North 23 degrees West 132 feet to a pine tree. Then North 76 degrees and 30 minutes West 100 feet to a small hickory at a dead pine Snag. Then South 32 degrees West 151 feet to a bunch of black jack sprouts. Then South 19 degrees East 125 feet to a pine. Then South 66 degrees West 157 feet to another pine. Then North 54 degrees East 70 feet to another pine. Then North 5 degrees East 155 feet to the point of beginning.

The property above described is a part of the property purchased by undersigned, Robert Howe, from James L. Davis, of Thomaston, Georgia.

In addition to the consideration stated above, the lessee shall pay a royalty of ten (10) per cent of all sales of all ores, minerals and mica sold and shipped from said premises, payment for the same to be made on the 20th day of the month following the sale and actual shipment of said ores, mica and/or minerals; lessee to provide lessor with a statement of weights and an itemized statement of all sales, during the month following the month of such shipment.

If the lessee should fail to pay any of the royalty provided for in the preceding paragraph hereof or fails to provide lessor with the statement of weights and itemized statements of sales of such ores, mineral and mica, the lessor may demand payment and/or such statements by registered mail, addressed to the lessor at Spruce Pine, North Carolina, and the lessee shall have

thirty days from the receipt of said written notice in which to pay the said sums due hereunder and to furnish said written statement and upon failure to make such payment or to make such written statement, lessor has the right to declare this lease null and void.

In addition to the other usual and ordinary rights and privileges which lessees of such properties have in connection with leases of this character, and not in limitation of such rights and privileges, the lessee shall have the right to enter upon, explore, prospect for, mine, dig and remove, and to wash, process, refine, improve, beneficiate, manufacture, or otherwise prepare for the market or for sale any and all mica, minerals, and ore found upon, in or under said property during the period of this lease. Said mica, minerals and ores may be removed from this property and partially or completely washed, processed, refined, improved, beneficiated, manufactured, or otherwise prepared for the market or for sale upon any other property not belonging to lessor.

The lessee shall have the right to construct and erect such plants, buildings, machinery, equipment and devices upon such property as he may deem desirable to the full and complete enjoyment of the rights and privileges herein granted, and this instrument shall be construed to give them the right to use the said property in any way so as to enjoy such rights and privileges to the fullest extent.

Among other rights, the lessee may construct and operate washers, processing and manufacturing plants of all kinds, maintain dirt and rock dumps, and dams, settling ponds, reservoirs, tramways, roadways, passage ways, railroads, warehouses, storage plants, shops power lines, water lines, pumps, and pumping stations, gas mains, conduits of all kind, and buildings, machinery, equipment and devices of all kinds and character, either on, below or above the ground, for the full enjoyment of the rights and privileges herein granted. This shall include any and all buildings, machinery, equipment, or devices of every kind and character which

may hereafter be deemed advisable by the lessee whether in use at the present time or not.

Lessee shall have the right to conduct water, gas, electricity, or other desirable materials or things, under, over and across said property to be used for the purpose of enjoying the rights and privileges herein granted, (including the use of such timber as lessee may deem necessary in enjoying the rights and privileges herein granted and in constructing any of the things herein permitted.

The lessee shall not be liable for any damage to the surface or timber on said premises, but shall be liable for the damage done crops on said property.

The finished ore, mica and minerals mined from this property shall be kept separate from the ores, mica and minerals mined on other properties. The lessor shall have the right to inspect said ore, mica and minerals and/or records, and the records of shipping weights, etc. during business hours.

Lessor shall have the right at any reasonable time during business hours to inspect the records in connection with the weights and sales slips of the ores, mica, and minerals sold and shipped from the leased premises and to inspect all bills of lading covering shipments of ore, mica and minerals sold and shipped from the leased premises.

Lessee shall have the right to pay the royalties due by check made payable to the order of the lessor and mailed to the last known address of lessor.

Lessee shall have the right to renew this lease for an additional five years by written notice sent by registered mail to the last known address of lessor not less than thirty (30) days prior to the expiration date of this lease.

At any and all times during the life of, and within one hundred twenty (120) days after the termination of this agreement, either by expiration or cancellation, the lessee shall have the right to remove any and/or all buildings, plants, tools,

machinery, equipment, devices and mined ore from said property.

It is agreed and understood that lessee, at any time for a period of ninety (90) days, fail to mine or to work said mine then at the option of lessor the rights herein given to the lessee shall expire and this lease shall have no further force and effect.

It is agreed and understood that all contracts and agreements heretofore entered into by the parties hereto concerning the mine and mineral rights on aforesaid described property are annulled and voided by this contract. The one hundred ($100.00) dollars heretofore paid by lessee to lessor is to be considered as advance royalty on ore and/or other mineral found on said property.

Whenever the terms "lessor" and "lessee" are used in this agreement they shall be deemed to include our heirs, as the case may be, and their heirs, successors and assigns.

In witness whereof, said lessor of his hereunto set his hand and affixed his seal in triplicate this the 17th day of June, 1953.

Robert His x Mark Lane (Seal.)

Signed, sealed and delivered in the presence of:

H. J. Kennedy

Harvey J. Kennedy, Jr., N.P.
Lamar County, Ga.
My com. expires Mar. 21, 1954

GEORGIA, LAMAR COUNTY.

The above and foregoing lease is hereby accepted and agreed to in all of its terms.

This 17th day of June, 1953.

THE EMPIRE MICA COMPANY

BY Sam R. Phillips
Partner

Short-Mitchell Mine
2873

6/25/53

Called Sam Phillips collect to inform him that his option must be exercised or a 5 year lease submitted to qualify for a contract.
(Mr. F.E. Johnson's decision)

Mr Phillips will advise us in a few days.

SF

6/19/53

Phillips advises that new lease is on the way.

SF

GEORGIA, LAMAR COUNTY

Whereas, on the 22nd day of December, 1952, the undersigned, Robert Howe, did execute an option to the Empire Mica Company, a partnership composed of Sam Phillips, John Phillips and Lin Carpenter, of Spruce Pine, North Carolina, wherein said partnership was given an option to purchase all mica and mineral rights on the property therein described for a period of twelve (12) months from the date of said option.

It is now agreed and understood that all of the terms of the said option are reaffirmed and reratified in their entirety. However, a change is hereby made in the description of the property which was the subject matter of said option. It is agreed and understood that, in lieu of the description contained in said option, the following described property is intended to be, by this amendment, the actual property upon which said option is given: A certain mica mine lying and being in Upson County, Georgia, and known as the "Short-Mitchell Mine", which is located on the premises where Robert Howe now resides, and same is described by metes and bounds as follows:

> Beginning on an oak tree and runs North 23 degrees West 109 feet to a pine tree. Then North 78 degrees and 30 minutes West 100 feet to a Small Sasafrass at a dead pine Snag. Then South 32 degrees West 151 feet to a bunch of Black Gum Sprouts. Then South 10 degrees East 125 feet to a pine. Then South 86 degrees East 137 feet to another pine. Then North 54 degrees East 70 feet to another pine. Then North 5 degrees East 100 feet to the point of beginning.

The property above described is a part of the property purchased by undersigned, Robert Howe, from James R. Davis, of Thomaston, Georgia.

Undersigned, Robert Howe, warrants that he is the owner of said property and that he has a good and merchantable title to said real estate and upon the said partnership paying to the

Short – Mitchell

DMEA No. 2873

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 3 1953
Mr. Fletcher

undersigned, Robert Howe, the sum of nine hundred dollars ($900.00), as provided for in said original option, undersigned, Robert Howe, will execute to said Empire Mica Company a Warranty Deed to said described property.

In Witness Whereof, the undersigned has hereunto set his hand and seal, this the 28th day of May, 1953.

Robert His x Howe (L.S.)
mark

Signed, sealed and delivered
in the presence of :

Harvey J. Kennedy

Hughanne Dunbar, N.P.
Lamar County, Ga.
My Com. Expires June 27, 1953

GEORGIA, LAMAR COUNTY

The Empire Mica Company does hereby accept the above amendment to the original option, and agrees to the terms of said amendment, and agrees that the terms of the original option stand in full force and effect, except as changed by this amendment.

EMPIRE MICA COMPANY

BY: Sam L. Phillips

DEPARTMENT OF THE ARMY
Defense Research Administration
PESHAWAR
JUN 3 1953

8-B

GEORGIA, LAMAR COUNTY.

For and in consideration of the sum of One Hundred Dollars ($100.00), undersigned does hereby give and grant unto Empire Mica Company, a partnership composed of Sam Phillips, John Phillips and Lin Carpenter, of Spruce Pine, North Carolina, hereinafter called "The Proposed Purchaser", the right and option to purchase all mica and minerals on the property hereinafter described, for a period of twelve (12) months from this date. In otherwords, at any time within said twelve (12) months period, should the said Porposed Purchaser elect to purchase all mica and minerals on the property hereinafter described, undersigned contracts and binds himself to convey same to the said Proposed Purchaser by warranty deed upon the said Proposed Purchaser paying to the undersigned an additional sum of nine hundred dollars ($900.00).

Undersigned warrants that he has a good merchantable title to the property hereinafter described, and said property is described as follows:

> A certain mica mine lying and being in Upson County, Georgia, and being known as the "Short-Mitchell Mine", which is located on the premises where undersigned now resides, and it is understood and agreed that said mica mine does and shall include all property that is owned by undersigned, which lies within a radius of one hundred fifty (150) feet in every direction from the center of the said Short-Mitchell Mine.
>
> The property above described is a part of the property purchased by undersigned from James R. Davis of Thomaston, Georgia.

It is agreed and understood that should said Proposed Purchaser exercise the rights given in this option that the said Proposed purchaser shall have the right of ingress and egress over the surrounding property belonging to undersigned, and may establish such road and/or roads over undersigned's property as may be needed by said Proposed Purchaser. It is further understood and agreed that said Proposed Purchaser may erect such building and/or buildings on said described premises as said Proposed Purchaser may need in order to efficiently mine same,

and may use from said premises such trees and/or logs that may be needed to shore the shaft and/or shafts to said mine.

It is further agreed and understood that any damages by the said Proposed Purchaser, their officers and agents, to the undersigned fences and/or crops is to be paid for by the said Proposed Purchaser.

In Witness Whereof, undersigned has hereunto set his hand and seal this the 22 day of December, 1952.

Robert his x mark Howe

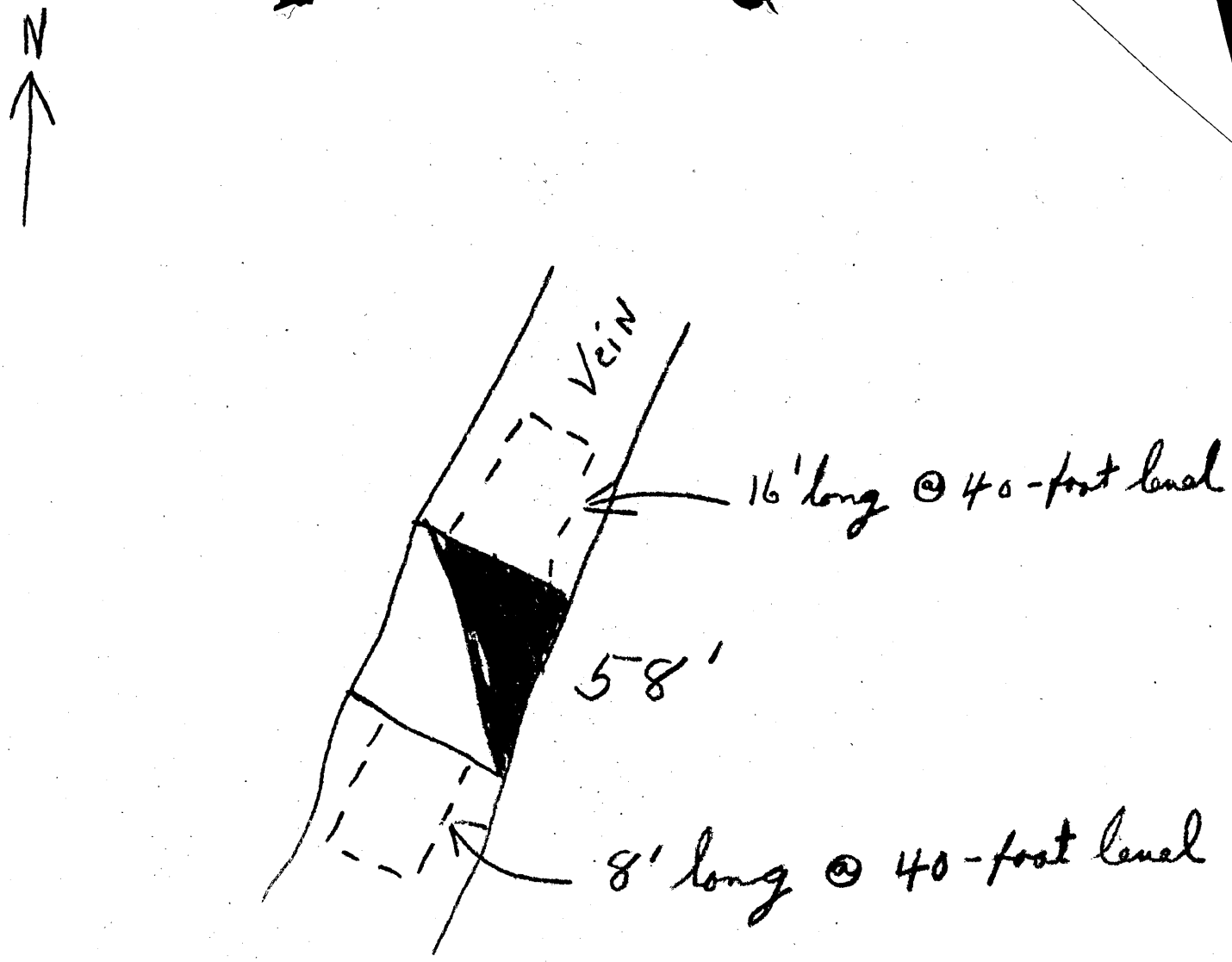
Signed, sealed and delivered in the presence of:

Cicero S. Burns Jr.

Lyla Ingram

Notary Public, State at Large, Georgia
My Commission Expires Oct. 30, 1956

GEORGIA: Upson County
Office of Clerk, Superior Court
Filed in Office DEC 23 1952
at 9 o'clock A M. and
recorded Dec. 23 1952 in
Deed record 129 Page 51
K. M. Bethel Clerk



Short-Mitchell Mine