UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 1250

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

✓ Report of Review.

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

✓ Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

✓ Project summary.

✓ Work completed analysis.

✓ All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

Operator's Final Report.

Interim Reports.

On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Lawrence Schmidt

Silver Creek

New York

pertaining to Exploration Project Contract No. Idm-E180, Docket No. DMA-1250X, as amended October 12, 1951, for the months of February and March, 1952.

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 Government representative who visited and examined the project, and a determination of the reasonableness and propriety of the costs.

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

a. the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;
b. the Monthly Reports were supported by documentary proof of the costs incurred under the contract (partially);
c. major portion ($3,000) of costs cover sub-contracted drilling at footage rates.

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

Total cost as billed by Contractor		$ 3,596.50
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$ 3,596.50

The contract calls for a 90 per cent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand two hundred thirty-six Dollars and 85/100.

- $ 3,236.85 -

is considered valid and proper.

Date: JUN 24 1952

E. D. Talbert
E. D. Talbert

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.

CONTRACT AMENDMENT

Nov 19 9 06 AM '51

DMA Docket 1250X, Lawrence Schmitt

Contract Docket 1250X, Idm-E 180, dated October 12, 1951, between the United States of America and Lawrence Schmitt is hereby amended as follows:

Item 3, is amended to provide that the Operator may begin work within 90 days from the date of contract, instead of 30 days, and to complete the project within a period of 5 months from the date of contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 13 of the contract form.

UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMA, Region VII

LAWRENCE SCHMITT

By Lawrence Schmitt
Applicant

DOCKET COPY

DMA-1250X, Contract Idm-M180. Lawrence Schmitt (mica)

Amendment was made to change the starting time from 30 days to 90 days and the completion time from 3 months to 5 months. This was necessary as the operator was unable to get a drilling contractor to do the work within the 30 days originally allowed in the contract.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Information
Division
JUL 10 1952

MF (June 1951)

Docket No. DMA 1250X
Commodity Mica
Idm-E 180

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 12th day of October, 1951, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2]
Lawrence Schmitt
Silver Creek
New York
hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of North Carolina, County of Cleveland described as follows: [3] Those two (2) acres of land situated approximately seven hundred (700) feet due east of the barn now standing on the W. W. Martin property, Route No. 5, Shelby, Cleveland County, North Carolina.

with respect to which the Operator represents and undertakes: [4]

(*a*) ~~That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances, a list of which, the subordination agreement of the holder is attached.~~

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within Thirty (30) days from the date of this contract shall commence work on a project of exploration for [5] Mica; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Three (3) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. 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.

5. *Fixtures and improvements.* 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. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[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.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, 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.

11. *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.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 90 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $3,240.00, which is 90 percent of the agreed estimated total cost of this project, $3,600.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *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 worthwhile 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 render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Lawrence Schmitt
(Operator)

By Lawrence Schmitt

THE UNITED STATES OF AMERICA

By C. Merriendorf
Director, Production Expansion Division
Defense Minerals Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract

EXHIBIT "A"

Exploration Project:

The purpose of this project is to explore by diamond drilling for mica.

Proposed Exploratory Work:

The work will consist of coring three diamond drill holes (NX core) totaling a maximum of 600 feet in length. Drilling will be by contract, operator will handle cores, testing, etc. Location, direction and depth of individual holes will be mutually agreeable to the Government and Operator.

Total Estimated Cost:

600 feet of diamond drilling @ $5.00/ft.	$ 3,000.00
Core boxes, handling, shipment, core testing	150.00
Supervision	450.00
Total estimated cost	$ 3,600.00

Fixtures and Improvements:

None

Operating Equipment:

To be rented:

600 feet of diamond drilling by contract @ $5.00/ft.	$ 3,000.00

Equipment furnished by Operator:

None

Labor and Supervision:

1 - Superintendent - 30 days @ $15.00/day	$ 450.00

Rehabilitation and Repairs

None

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Cleveland, State of North Carolina, described in a certain Exploration Project Contract dated October 12, 1951, between Lawrence Schmitt,

the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated January 10, 1951, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

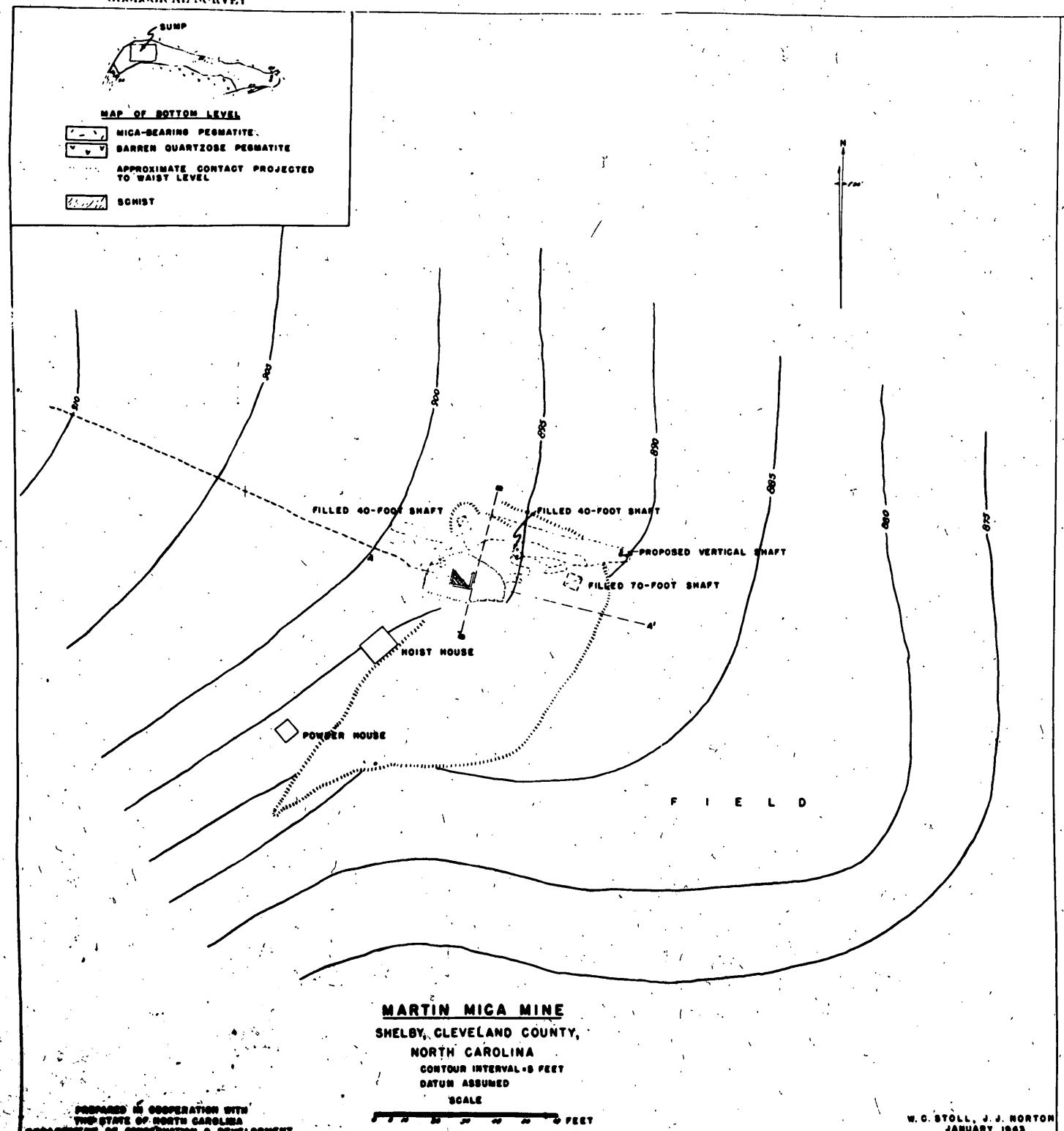
Dated this 25th day of September, 1951.

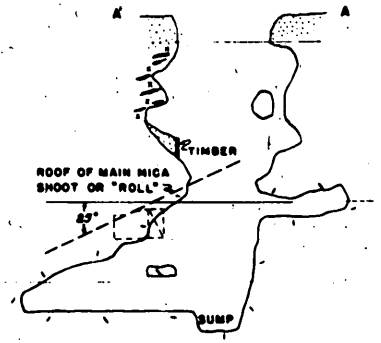
witness W. W. MARTIN

1. X Sulley Martin (daughter)

U. S. GOVERNMENT PRINTING OFFICE 16—64592-1

2. witness: Bert Schmitt.

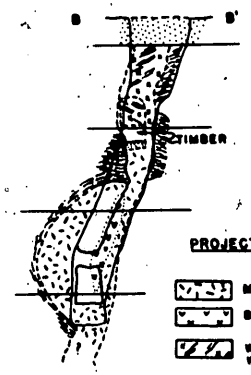




SECTION A-A'
INCLINED ABOUT 70° N
ON DIP OF PEGMATITE.

MICA-BEARING PEGMATITE

WEATHERED FELDSPATHIC PEGMATITE WITH SCHIST INCLUSIONS



PROJECTION ALONG B-B'

MICA-BEARING PEGMATITE

BARREN QUARTZOSE PEGMATITE

WEATHERED FELDSPATHIC PEGMATITE WITH SCHIST INCLUSIONS

WEATHERED MICA SCHIST

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. dma 12508

Date received 5-21-51

Participation

LAWRENCE SCHMITT
SILVER CREEK, NEW YORK

Operator of Martin Mica Mine
Shelby, Cleveland County N.C.

Name and address of applicant

Date 18th May 51.

FILL IN THIS BLOCK

Date of application May 15, 1951

Estimated cost $75,000.00

Mineral or metal MICA

Percentage of Government participation $30,000.00

Location of mine SHELBY, NORTH CAROLINA

Date of filing MF-100

DMA Docket Number, if available dma 12508

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? no

*2. If a partnership, state names and addresses of partners. none Capt (Brother) who is retired miner & lives near mine.

*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders. ✓

*4. Describe the mining and general business experience of (a) the applicant, and (b) the person or persons who will manage the project. Pres. of Mfg Co. & 25 yrs experience in Exploration & Development old N.C. Gold mines.

*5. Are you the owner or the lessee of the property? Lessee.

6. If owner, state what claims, liens, or encumbrances, if any, are against the property. none

7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract. none

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement. Sworn Mortgage statement attached

9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)? $5 to $10 000 have already spent $35000 since Dec 1950. for Equipment Etc.

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property. See Map.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted. See Map

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any. Martin Mica Mine

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. 4 mi from Shelby on Route 5 - Cleveland County, N.C.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source. Duke Power line on Property 5 H.P.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. See list of Equipment attached

15. State in detail how the ore could be shipped and how and where milled.

*16. History: Mine Previously operated during World War II & Mica sold to U.S. Gait (Colonial Mica Co)

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations. Operations ceased Property reverted to Former owner

(*b*) State briefly the known history and production of adjoining and neighboring properties. See Gait Records. (Foster Mine)

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations. Gait Survey attached.

*17. Production: Indications are that further development could make large Pegmatite Deposits still in Property to be mined.

(*a*) If mine is in production, furnish the following information.

	Tons per day	Grade or analysis	Cost per ton	Net value per ton
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.) See Gait Maps & Records.

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions. This Property definitely warrants development & exploration work, which will likely show undiscovered ore Bodies.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? Mica

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it. History indicates, that

NOTE.—The Government will not participate in a project that will require more than 2 years to complete. Cleaning up & tunneling

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data. lead to continuous ore Bodies

See Maps & Gait History of Production

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

Estimated expenditure of 25 to 30 thousand per year for 2 years. Production in 23 months from time project is approved, showing progress expected to be accomplished and the money expected to be spent.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

(Name of company)	By Maurice Schmitt (Signature of authorized official)
18th May 51. (Date)	Operator. (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

dmu 12508

LANDON F. STROBEL

SILVER CREEK PRECISION
CORPORATION

SILVER CREEK, CHAUTAUQUA COUNTY, NEW YORK

May 19th, 1951

Mr. James A. Barr,
Room #3538; Dept. of Interior,
U.S. Bureau of Mines,
18th and C Streets,
Washington, D.C.

Dear Mr. Barr,

I am not sure whether I was to send the enclosed forms to Mr. Arundale or to you, but I mentioned in my letter to you of April 23rd that when they were finished, I would sent them to you.

They may not be made out 100% correct, but we have done the best we could with them and I wish you would help me out by telling me which we can get--- a straight loan or an exploration lift. I am willing to go in either direction because I believe the property will pay off and after you have given the matter some thought or after one of your people have gone through all of these forms, I will be grateful to receive your best advice.

With kindest regards,

Very truly yours,

SILVER CREEK PRECISION CORPORATION

Lawrence Schmitt
President

ls:b
Encls.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 2 1 1951
LANDON F. STROBEL
Executive Secretary

Dma-250 x ~~LANDON F. ST~~ Barr

SILVER CREEK PRECISION CORPORATION

SILVER CREEK, CHAUTAUQUA COUNTY, NEW YORK

June 15, 1951

Mr. James A. Barr
Room 3538
Department of Interior
U. S. Bureau of Mines
18th. and "C" Streets
Washington, D. C.

Subject: Docket 1250X
Martin Mica Mine
Shelby, North Carolina

Dear Mr. Barr,

I hereby withdraw my loan application dated 9, May 1951 and request that you consider my application for exploration aid.

Supplementing the data in the above file, I herewith submit additional information and copy of lease as requested in your letter of 6, June 1951, VIZ:

A. 7 Answers to questions. Numbers 7; 10; 21; 23; and 24 of Form M. F. 103, in triplicate.

B. 10 Copy of lease in triplicate.

Under separate cover I am sending you Landlords Subordination Agreement in triplicate. (Complete maps of property were filed with application on 6, June 1951.)

E. 23A. During preparation and clean-up work, two men, one crane operator and one bulldozer operator @ $1.25 per hour....Two months, total $400.00 ?

A. When sinking and drifting begins, we will require a total of four miners.....@	$1.00 per hour	$160.00 per week	
A1. Top or Mill man.....@	1.00 per hour	40.00 " "	
B. Superintendant.....@	2.25 " "	90.00 " "	
B1. Mechanical ass't.....@	1.50 " "	60.00 " "	
total per week.....$		350.00	
total for 26 weeks.....			9100.00
		Total	$ 9500.00

23.C. None

D. 1. Tool shed-two compartments, one side for depressing room and first aid, bunk, etc. One side for tools, etc. approximately 18'x20'		$1000.00
2. Compartment outside toilet-labor and material		50.00
3. Dynamite storage (underground)	approximate cost	25.00
4. Fuze storage (underground)	" "	25.00
D. Hoist and House shelter	" "	30.00
E. Bulldozer (used, costs new $14,000)		7500.00

Continued on next page

F. None		
G. Rental Value ($200.00 per day) for six months figuring only (five days a week)		$26,000.00
H. Dynamite and caps-six months supply (40 cases)		994.80
Gasoline " " " approximate cost for 6000 gals. @ 24.4 per gal.	$1464.00	
Tax refund	300.00	
	1164.00	1,164.00
Fuel Oil " " supply		942.50
Motor Oil (Diesel) 30 gal.		40.00
Grease and Marfac for crane etc. (200 lbs.)		165.30
Oil for all crank cases (50 gal.)		28.70
I. Estimated Electric Bills (six months)		60.00
	Total	$38,025.30

24. Expect to have all clean-up work finished within two months and sinking and drifting to begin at that time. For time schedule, figure cost outlay of $13,000 to $15,000 during the first sixty days. Approximately $2,200.00 to $2,500.00 per month thereafter without paying the above $26,000.00 rental on equipment now owned and used on project.

25. Insurance and unexpected Fund (average $100.00 per working day over six month period) $12,000.00

Progress Estimate: $50,025.30

Mica should be produced from clean-up and preparatory work at the end of sixty days. Production at the end of sixty days by weeks will depend on continuance on Pegmatite Bearing formation in the veins to be opened up. There are three veins which produced considerable mica above present depth and indications are that the pegmatite formation will continue beyond the area to be cleaned out and made ready for mining.

If you need anything else please advise and if necessary, I'll run down to see you in person.

Yours very truly,

Lawrence Schmitt

LS:RK

BUREAU OF MINES
WASHINGTON, D. C.

JUN 21 9 57 AM '51

Dma - 1250X

COPY

STATE OF NORTH CAROLINA

COUNTY OF CLEVELAND

THIS LEASE, made and entered into this 10th day of January, 1951, by and between W. W. Martin and his wife Georgia Martin of Cleveland County, North Carolina, hereinafter called the Lessors, and L. Schmitt, of Silver Creek, New York.

W I T N E S S E T H :

That subject to the terms and conditions hereinafter set forth, the lessors have let and leased and do by these presents grant and lease unto the said lessee the exclusive right and privilege to mine, dig, mill, process and remove all mica and other minerals now in, under or upon those certain tracts of land lying in Cleveland County, North Carolina, and described as follows:

Those two acres of land situated approximately seven hundred feet due east of the barn now standing on the W. W. Martin property, Route #5, Shelby, Cleveland County, North Carolina.

The terms and conditions of this lease are as follows:

Unless sooner terminated as herein provided or by mutual agreement of the parties, this lease shall begin on the date hereof and exist and continue until the 10th day of January, 1953.

As rental, the lessee shall pay to the lessors as royalty a sum equal to one-eighth of the amount of gross sales, for all mica and other minerals removed and sold from said lands, which said royalty shall be payable monthly on or before the 5th day of each calendar month for all mica and other minerals sold during the proceding month, and for which the returns and payments have been received by the lessee.

The lessee shall keep a record of all mica and other minerals sold from said lands, which records shall be open for inspection to the lessors at all reasonable business hours, and said lessee shall furnish to the lessors a ticket or duplicate statement of all sales upon making settlement for the royalties due thereon.

So long as this lease remains in force, the lessee shall, in connection therewith, have and enjoy the following rights and privileges:

a. The right to use the surface of said lands to such extent as is reasonably convenient or necessary in mining and removing said mica and other minerals.

b. The right to contract and place upon said lands buildings and machinery and to remove the same at any time and for sixty, (60), days after the termination of this lease.

c. The right to use any roads now in use upon said lands or any such additional roads as may be necessary to give the lessee ingress and egress for the removal of said mica, together with the right to use any water flowing on or under said lands, together with the right to remove any timber that may interfere with mining operations and to use any of such timber as may be necessary to remove for mining purposes.

It is further agreed that the lessee shall pay to the lessors any damage caused to growing crops on said lands by reason of said mining operations.

It is further mutually agreed that should the lessee neglect or refuse to pay the royalties as herein provided for a period of thirty, (30), days after they become due and payable under the terms hereof, or should the lessee cease to work and mine upon said lands for a period of six, (6), months, then in either event, this lease shall terminate and become null and void.

It is further mutually agreed that the lessee may, at his option, elect to renew this lease upon the same terms and conditions for an additional period of five, (5), years from the expiration hereof, and the lessors hereby agree that upon ten,(10), days notice before the expiration hereof by lessee of their intention to renew the same, to execute and deliver to the said lessee a renewal hereof for said additional term of five, (5), years.

It is hereby mutually agreed between the lessors and the lessee that the right is reserved to effect a substitution of this lease, by a new lease, if necessary.

The lessors for and in consideration of these things herein contained to be done by the lessee, hereby grant unto the lessee the option to purchase from the said lessors the within described two acres of land in Cleveland County, North Carolina, for the sum of Seven Thousand Dollars, (7,000.00). This option shall continue through July 10, 1951.

IN WITNESS WHEREOF the said Lessors and Lessee have hereunto set their hands and seals, the day and year above written.

W. W. Martin (SEAL)
W. W. Martin (lessor)

Georgia Martin (SEAL)
Georgia Martin (lessor)

Lawrence Schmitt (SEAL)
Lawrence Schmitt (lessee)

NORTH CAROLINA

COUNTY OF CLEVELAND

I, John J. Mahoney, Jr., a Notary Public in said State and County, hereby certify that on this day personally came before me W. W. Martin, and his wife Georgia Martin and Mr. L. Schmitt, who acknowledged the due execution of the foregoing and attached mining lease for the purpose and intent therein expressed, and for none other.

Witness my hand and notarial seal, this the 10th day of January, 1951.

My commission expires
May 15, 1951.

John J. Mahoney, Jr.
Notary Public

WITNESS:

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 180

Name of Operator Lawrence Schmitt
Docket No. DMA 1250X (mica)
Total Contract Amount $ 596.50
Government Participation: 90 % Amount, $ 536.85
Distribution of Expenditures for Month of Contract Balance

Final report

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

(Name of Company)

By Lawrence Schmitt
(Signature of Authorized Official)

(Date) April 15, 1952

Operator (Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]						
5. Supervision 30 days @15.			$ 450.00	$450.00		$450.00
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work					3000.00	3000.00
11. Other (specify) 250 ft. of pipe			34.00	34.00		34.00
core box lumber & 3A frame timbers			25.00	25.00		25.00
5 hrs. Bulldozer			37.50	37.50		37.50
2 hrs. Crane			50.00	50.00		50.00
Total			$ 596.50	596.50	3000.00	$3596.50
Deletions						
Adjusted totals						
Totals previously reported			3,000.00			
Totals to date			$3,596.50			

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W. A. Beck
Entered by W. A. Beck
Approved by W. A. Beck
Amount approved for payment $536.85
Remarks

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF _____

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals										

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E IDME 180

Name of Operator Lawrence Schmitt
Docket No. DMA 1250X
Total Contract Amount $3,600.00
Government Participation: 90 % Amount, $ 3,240.00
Distribution of Expenditures for Month of Feb. and March, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—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.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

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.

Lawrence Schmitt
(Name of Company)

By Lawrence Schmitt
(Signature of Authorized Official)

4th April 1952
(Date)

Operator
(Title)

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.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Fixtures						
2. Operating Equipment:						
(*a*) Purchased[1]						
(*b*) Rented[2]						
(*c*) Furnished by operator						
3. Rehabilitation and Repairs:						
(*a*) Facilities						
(*b*) Buildings						
(*c*) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]						
5. Supervision	450.00					
6. Supplies						
(a) Timber						
(b) Explosives						
(c) Repair Parts						
(d) Other						
7. Power						
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation						
10. Contract Work	3,000.00			$3000.00		$3000.00
11. Other (specify)						
Core boxes, handling & core testing	150.00					
Total	3,600.00			$3000.00		$3000.00
Deletions						
Adjusted totals						
Totals previously reported	none					
Totals to date	3,600.00					

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by W. A. Beck
Entered by W. A. Beck
Approved by W. A. Beck
Amount approved for payment $2700.00
Remarks As deletion of $600.00 was made
See letter attached.
WAB

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF Feb. and March, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting										
Crosscutting										
Raising										
Shafts										
Winzes										
Drill holes	3,000.									
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify) Supervision				450.00						
core testing				150.00						
Totals	$3,000.			$600.00						

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

FILE COPY
SURNAME:

Robertson
North
Lammer
Hedges

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

600

July 22, 1952

Memorandum

To: Acting Administrator, DMEA

From: Non-Metallic Minerals, Division, DMEA

Subject: Review of Docket No. DMEA-1250 - Mica
Lawrence Schmitt, Applicant
W. W. Martin Mine
Cleveland County, North Carolina
Contract No. Idm-M180

7/24

5/21/51 - Application received.
10/12/51 - Contract approved - Total Amount $3,600.
11/19/51 - Contract amended - time extension.
4/15/52 - Closing Progress Report.
6/24/52 - Report of Review by M. D. Talbert - Review in lieu of audit
7/2/52 - Final Report by Wallace R. Griffitts, USGS, Report dated 6/23/52 - Log of Holes #1, #2, #3 and #4, included.

Resume of Final Report:

1. Total amount spent- $3,596.50
2. Government funds to be returned $3.15
3. The work accomplished the objective set forth in the contract.
4. Work was performed by independent contractor and was done competently and followed contract.
5. No equipment was purchased; no salvage value of supplies.

Project began January 29, 1952, and was completed April 14, 1952.

There was only a small showing of mica in Hole #1, and it was considered too scanty to warrant a certification of discovery. Other holes were completely negative.

JTRobertson:mp
cc: Docket File
Adm. Reading File
Operating Committee
Mr. Houk

Jasper T. Robertson
Non-Metallic Minerals Division

☐ Audited

☐ Certified

ANALYSIS SHEET – DMEA PROJECT

Analysis as of Dec 3, 54
Incl. Voucher for apr 52

☑ Actual Cost

☐ Agreed Unit Costs

Name Lawrence Schmidt

Docket No. 1250

State N.C.

Commodity mica

Idm-E No. 180

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting					
Raising					
Shafts					
Winzes					
Drilling (Specify) NX 3 holes	600	$3600	600	3596.50	3596.50
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		3600.			3596.50

Prepared by L.G.H.

C O P Y

March 4, 1955

Memorandum

To: Mr. Jay L. Chambers

From: Lawrence G. Houk (initialed) L. G. H.

Subject: Closing dockets

The Nonmetallic Minerals Division have reviewed the following contracts and do not intend to make certifications of discovery or development:

Idm-552	DMA-1212	Idm-[illegible]	DMA-
40	1213	217	1969
13	1679	244	1955
73	519	253	2134
74	1390	257	2077
78	1664	272	2360
93	812B	288	2344
97	1224	324	2255
121	1517	344	2156
124	1318	373	2439
125	1720	411	2526
129	1665	430	2524
134	1732	433	2620
140	1813	444	2646
179	1122	450	2681
180	1250	480	2725
191	1914	497	2778
195	1812	507	2840
198	1929	518	2785
211	1721	524	2909
216	2104	543	2950
		565	3030

FILE COPY
SURNAME:

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

JUL 24 1952

Robertson
Houk
Lemmon
Hedges
Johnson

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Subject: Docket No. DMEA-1250 - Mica
W. W. Martin Mine
Cleveland County, North Carolina
Contract Idm-E180
Certification of Discovery

Dear Mr. Laurence:

The Defense Minerals Exploration Administration has your letter of July 2, 1952, together with the Final Report by Wallace E. Griffitts with respect to the determination of a certification of discovery for this project, Contract Idm-E180.

The last paragraph of the letter states in part:

> " . . . . . certification seems to be justified, although the small amount of production expected may not warrant the expense of collecting royalties over the next ten years."

The Defense Minerals Exploration Administration has studied Mr. Griffitts' report and finds it difficult to justify a certification based on the showings indicated in a single drill hole and which indicates a guess-estimate of only 200 tons of possible pegmatite.

In the light of the scantiness of the discovery, the opinion is that no significant discovery is made. Therefore, you are advised that no certification of discovery will be made in this case.

Sincerely yours,

7/24

(signed) FRANK E. JOHNSON
(JB)

Acting Administrator
Defense Minerals Exploration
Administration

JTRobertson:mp 7/22/52
cc: Docket File
Adm. Reading File
Operating Committee
Mr. Houk

FILE COPY
SURNAME:

Robertson
Hoult
Lemmon
Hedges

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

July 22, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: Non-Metallic Minerals Division, DMEA

Subject: Docket No. DMEA-1250 - Mica
W. R. Martin Mine
Cleveland County, North Carolina
Contract Idm-5180 - Amount $3,600
Re: Certification of Discovery

cc 7/24

Attached herewith is a letter for the Acting Administrator's signature in reference to certification of discovery for the subject project.

Final Report by Wallace R. Griffitts is received from Mr. Laurence, Region VII, who states in part as follows :

> " . . . . . certification seems to be justified, although the small amount of production expected may not warrant the expense of collecting royalties over the next ten years."

In reviewing the Final Report, the writer finds that the basis for warranting a certification of discovery is rather weak.

Five points are brought out in the Final Report which are mostly negative insofar as supporting a certification.

1. That there is no long extension beyond the old mine workings of the formerly-mined pegmatite.

2. That a small off-shoot of ore was cut by Hole #1 at a point only 15 feet below the bottom level; 200 tons of pegmatite is reported.

3. That indicated tonnage is not well enough blocked out to justify lending development money.

4. That the total reserves are too small to justify further exploration and to justify cost of reopening mine.

5. Holes #2, #3 and #4 showed no mica-bearing pegmatite.

The results of the drilling were largely negative and the reported discovery is so trivial that it hardly warrants being called a discovery. It may well be that it is simply a remnant piece of ore already indicated by the past work; Hole #1 was drilled only 15 feet beneath the lower workings.

The monetary value, from a production standpoint, is also hardly worth considering; the royalty value of purported ore amounts to about $240.

200 tons pegmatite @ 4% = 8 tons crude mica ore

8 tons crude mica ore @ $600 = $4,800 - gross value

Royalty value @ 5% X $4,800 = $240

The writer is of the opinion that the 200 tons of pegmatite should be considered simply as a small amount of remnant ore belonging to the old lower workings and that it should not be considered as a new discovery.

In view of the above, it is recommended that the letter be approved for signature by the Acting Administrator.

Jasper T. Robertson
Non-Metallic Minerals Division

Attachments

JTRobertson:mp
cc: Docket File
Adm. Reading File
Mr. Houk

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

Room 13, Post Office Building
Knoxville 2, Tennessee

July 7, 1952

Memorandum

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

From: Executive Officer, DMEA - Region VII

Subject: DMEA-1250X, Idm-E180, Lawrence Schmitt (mica)
Final report of Operator

Sometime ago I wrote the Operator of the subject contract reminding him that he owed us a final engineering and geologic report. He replied, "We sent you the Diamond Drill Core records, when we sent you the bills - we have no other reports except the enclosed map." The map was simply a copy of the 1943 U.S.G.S. map which was attached to the contract with no new information.

Thus the above information will presumably have to satisfy the needs for an Operator's report; we have already sent in a complete report by Mr. Griffitts for the Field Team. This case however, is typical of what we may expect on many of these small mica projects. The Operator's simply do not know how to write reports and compute reserves, even though they are competent to produce strategic mica.

Robert A. Laurence
Robert A. Laurence

zm

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 9 1952

Applicant:
Lawrence Schmitt
Silver Creek
New York

Mine:
2 Acres on W.W. Martin Property
Route No. Shelby, Cleveland Co. N.C

Docket no DMA 1250X (Mica)
Contract I dm-E 180 10/12/51
Closing progress report 4/15/52
Final Field Report 6/23/52 Griffith #1585

$3600 = Amount of Contract

			approved Progress Reports Feb-Mar. 1952	April 1952	Total Cost 3 holes
1.)	3000	Independent Contract.	3000 -	—	3000 -
2)	450	Labor, Supv., Consultant.	—	450 -	450 -
3)	—	Operating Material + Supplies	—	—	
4 a	—	Oper. Equip - Rentals	—	—	
b	—	" " Purchased	—	—	
c	—	" " Allowance	—	—	
5)	—	Rehabilitation + Repairs	—	—	
6)		New Build. + Improvements	—	—	
7.)	150	Miscellaneous	—	14650	14650
	$3600.00	approved	$3000.-	$14650	$3,596.50

No discovery - Not certified

Unit Cost

The work consisted of drilling three diamond drill holes (NX Cores)

Hole #1	180 feet
Hole #2	180 feet
Hole #3	240 feet
Total	600 feet

Cost per foot $\frac{\$3,596.50}{\$600.00} = \$5.99$

Summary of Final Report

1. Total Amount Spent $3,596.50
2. Government funds returned $3.15
3. Work of Contract accomplished.
4. Work competently done.
5. No equipment purchased therefore no salvage.
6. Government total contribution (90% basis) $3236.85

Project began 1/29/52
" completed 4/14/52

Jasper T. Robertson

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

Room 13, Post Office Building
Knoxville, Tennessee

July 2, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

Memorandum

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

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

Subject: DMA-1250X, Idm-E180 (mica) Final Report.

Enclosed herewith are 4 copies of the Field Team's final report on the subject project, by W. R. Griffitts.

It is noted that new mica-bearing pegmatite was cut by this drilling, and therefore, certification seems to be justified, although the small amount of production expected may not warrant the expense of collecting royalties over the next ten years.

Robert A. Laurence

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

William A. Beck

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

F.T. FINAL RPT.

gds 7-15-52

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

FIELD TEAM, REGION VII

DMA#1250X, (mica)

W. W. MARTIN MINE

Lawrence Schmitt, Applicant
Cleveland County, N. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

By

Wallace R. Griffitts, Geologist
U. S. Geological Survey

June 23, 1952

Reviewed by
DMEA OPERATING COMMITTEE
7-11-52
(date)

FINAL REPORT

DMA-1250X, Idm-E180, W. W. MARTIN MINE
(mica) Lawrence Schmitt, Operator
Shelby, Cleveland County, N.C.

The contract for this exploration was prepared in Washington, D. C., without prior referral to the Field Team. Six hundred feet of diamond drilling was proposed which was agreeable with the applicant. The objectives were to check the down-dip continuity of the body of pegmatite body that was mined in World War II, along the irregular shaft and the possible down-plunge extension of pegmatite in the large roll reported to have been found in the hanging wall at 40 to 80 feet depth. The first hole was drilled so as to pass about 15 feet below the old workings near the bottom of the shaft, the second was drilled to intersect the pegmatite 60 feet or so to the east. The third hole, and the last to be drilled with Government assistance, was to cut the pegmatite about 30-feet directly below the intersection of Hole I and pegmatite. The operator drilled one additional hole at his own expense, inclined northward at an angle of 60 degrees at a point guessed by him to be 30 to 40 feet south of the footwall contact of the dike at the old war-time shaft collar. The point was not marked and was indefinitely pointed out to the writer. Inasmuch as the dip of the dike 70° is little steeper than the drill hole the two never got together. Only the first hole encountered mica-bearing pegmatite.

Hole I was drilled as the site originally proposed nearly due north of the old shaft; Hole II at the locality proposed to the east of I; and Hole III was drilled about 30 feet north of Hole I, and should have been directly below I. It could, perhaps, have been dispensed with but was drilled to see if the pegmatite continued to a little greater depth. The first three holes were drilled at an angle of 45 degrees. The fourth hole was unwisely drilled by the Operator at an angle of 60 degrees.

The cores of the first two holes were in fair order when they were examined and were logged. The part of the first core that included the mica-bearing pegmatite was badly broken and the recovery was poor but the core was preserved in reasonably good order. The cores of the third and fourth holes were so disarrayed when examined that there was little chance of making a detailed log. Both were examined for signs of mica-bearing pegmatite or of any rock that might be of interest, but none was found.

Results

The drilling has proved two things - First, it proves that there is no long extension beyond the old mine workings of the formerly mined pegmatite body. Second, it demonstrates the presence of a hitherto unknown branch of the pegmatite body that was formerly mined. The branches

join at the thick bulge that was thought to be a deep roll in the hanging wall of the dike. The branch is not especially large, but it is apparently about 10 feet in average thickness, at least 20 feet long and perhaps 15 feet wide. The mica content of the core that was recovered was moderately high but the quality is unknown. Because of the high quality of the mica found during World War II, it seems safe enough to assume that the pegmatite will contain at least 4 percent of crude mica that will yield 5 percent of strategic quality sheet mica. The block of pegmatite contains about 200 tons of rock and could yield 12 tons of crude mica or 0.6 tons of sheet. If 12 tons of crude mica were sold at $600 per ton, with 5 percent of the value going to the government, the government's share would be $360, or about a tenth of the cost of the exploration. If the mica is sold as prepared sheet, the gross value might be several times $360.

The mica-bearing pegmatite can be mined cheaply from the old workings if the Operator ever finishes his avowed objective of cleaning out the old hole, as the schist layer separating the pegmatite from the opening is apt nowhere to exceed 20 feet.

Conclusion

Inasmuch as the only body of mica-bearing pegmatite remaining at the mine is that discovered by the diamond drilling that was done with the aid of government money, it seem that a discovery can be certified. It is not an immense body of pegmatite and it is not well enough blocked out to justify lending development money and the total reserves are too small and the cost of getting into production too low to justify further exploration in advance of mining. ? Really means too high J.J.R.

June 23, 1952

Wallace R. Griffitts, Geologist
U. S. Geological Survey

Logs of the holes on the following pages-----

HOLE I, DMR-1250X, W. W. Martin Mine.

Description

Feet	
0-55	No core, weathered rock
55-62	Toluca quartz monzonite, slightly weathered, moderate number of spheroidal garnet grains, rare non-perthitic microcline grains and schist partings.
62-68	Toluca pegmatite with a little garnet. Garnet and schist common in last 2 feet.
68-82	Biotite schist with much pegmatite in stringers as thick as 4 inches.
82-95	Medium-grained feldspathic biotite schist.
95-100	Biotite schist with much pegmatite in thin stringers.
100-106	Medium-grained feldspathic biotite schist.
106-129	Biotite schist thoroughly impregnated with Toluca pegmatite.
129-133	Mica schist, biotitic near top, muscovitic in power 5 inches.
133-141	Mica-bearing pegmatite. a. North wall zone, 1 foot plagioclase-quartz-muscovite pegmatite recovered. Mica content high. No accurate estimate of either mica content or of size and quality of mica books is possible because of the broken condition of the core and the low recovery. Some flakes 2-inches or ore across came from books that would yield sheet mica. The pegmatite is vuggy. b. Gray milky quartz, 8 inches recovered. Probably core. c. South wall zone, 2 feet recovered. Mica-rich plagioclase-quartz-muscovite pegmatite.
141-146	Gneiss, coarse-grained muscovite-biotite layers separated by feldspathic layers.
146-173	Biotite schist impregnated with Toluca pegmatite. Pegmatite content relatively low 162-169.
173-180	Medium-grained biotite schist.

180 feet, end of hole.

HOLE II, W. W. Martin Mine
DMA-1250X (mica)

Feet	Description
0-60	No core, weathered rock
60-69	Interlayered coarse sillimanite-garnet-biotite gneiss, Toluca pegmatite with garnet spheres, and Toluca quartz monzonite with lenticular non-perthitic microcline phenocrysts.
69-71	Medium-grained moderately feldspathic biotite schist containing large garnet grains and lensesof non-perthitic microcline.
71-76	Toluca pegmatite. Much biotite schist with 1/4" garnet grains 74-75.
76-170	Large Toluca pegmatite and Toluca quartz monzonite with microcline phenocrysts. Garnet grains to 1/2" in diameter in pegmatite. The driller reported that" a couple of inches of mica" was found at 135 feet but no sign of mica-bearing pegmatite or recrystallized schist which might suggest proximity to pegmatite was in the core examined.
170-180	Medium-grained feldspathic biotite schist

End of Hole, 180 feet.

HOLE III

0-240	Interlayered mica schist, in part sillimanitic, Toluca quartz monzonite, and Toluca pegmatite. No indication of mica-bearing pegmatite.

---End of Hole---240 feet---

HOLE IV
(Not drilled with government assistance)

0-100?	Largely moderately fine-grained feldspathic biotite schist with some sillimanite schist, Toluca quartz monzonite, and Toluca pegmatite.

Final Report

DME-1250X, Idm-E180, (mica)
Lawrence Schmitt
Cleveland County, N.C.

1. Total Amount Spent $ 3,596.50

2. Government Funds to be returned: $ 3.15

3. The work accomplished the objective set forth in the contract.

4. Work was performed by independent contractor, was done competently and followed the contract.

5. No equipment was purchased.

No salvage value of supplies.

Project was begun January 29, 1952 and was Completed April 14, 1952.

Robert A. Laurence
Executive Officer, DMEA-Region VII

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.
Room 19, Post Office Building
Knoxville, Tennessee

Beck
Lynch
Gen. Gen.
Miller

June 17, 1952

Mr. Wallace R. Griffitts
U. S. Geological Survey
Denver Federal Center
Denver, Colorado

NEW IL

Re: DMA-1250 (mica)

Dear Wally:

We need to submit a final report on the DMA project at the Martin Mine. Would you please, at your earliest convenience, send me copies of your logs of the drill holes, as well as a brief report on the results, your opinion as to whether or not a discovery [illegible] and if so, an estimate of the amount of pegmatite indicated by the drilling and its possible mica content.

In your letter of February 15, to Bill Beck, written after completion of the second hole, you stated that "there is little doubt that the government can claim that a discovery was made, as the only pegmatite that can be mined to any large extent is that found by drilling."

This job was completed on April 14; time is now, if a certification is to be made, it must be made before October 14, and our report and recommendations must be in Washington soon.

Sincerely,

Albert A. Lawrence
Mineral Officer, DMA Field Team
Region VII

AL/mm

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 19 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
SOUTHEASTERN REGION
REGION VII

OFFICE OF
REGIONAL DIRECTOR

P.O. BOX 217
NORRIS, TENNESSEE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1952

April 8, 1952

Dmea 1250

Mr. C. O. Mittendorf
Defense Minerals Exploration
Administration
U. S. Department of Interior
Interior Building
Washington 25, D. C.

Dear Mr. Mittendorf:

We are enclosing two copies of the February-March progress report covering the following contract:

Idm-E-180 Lawrence Schmitt

Sincerely yours,

Hewitt Wilson
Hewitt Wilson
Regional Director

Enclosures
CC: Mr. W. A. Beck
Mr. R. A. Laurence
Mr. F. E. Johnson
Region Files
Day Files

C
O
P
Y

UNITED STATES

DEPARTMENT OF THE INTERIOR

Defense Minerals Administration

Room 1, Post Office Building
Knoxville, Tennessee

April 7, 1952

Mr. Lawrence Schmitt
Silver Creek Precision Corporation
Silver Creek, New York

DMA-1250X, (mica), Idm-E-180.

Dear Mr. Schmitt:

Receipt is acknowledged of three copies of Operator's Monthly Progress Report and an invoice form the A-N-C Drilling Company in the amount of $3000.00.

This report should have been presented in quadruplicate. However, we are putting it through for payment with a deletion of $600 for items 5 and 11. No supporting data was given for the amounts of $450 and $150. A breakdown of these amounts should be presented with your report. Please make this deletion on your copy and send us four copies of a new report for the amount of $600, with the above information. Copies of invoices of any expenditures should be presented.

Very truly yours,

Wm. A. Beck, for V. J. Lynch

FILE COPY
SURNAME:

410

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

Attendorf

NOV 26 1951

Contract Service Section
General Accounting Office
4th Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract Idm-E180

Gentlemen:

Attached hereto is the original, signed copy of an Amendment to the captioned Exploration Contract which should be attached to your copy of the contract.

Sincerely yours,

C. O. Mittendorf

Administrator
Defense Minerals Exploration
Administration

Enclosure

11/23/51
JWAlt/meb

cc to: Adm. Files
Reports & Records
Field Team, Reg. VII(2)
JWAlt
Docket

FILE COPY
SURNAME:

410

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

Mittendorf

November 23, 1951

Memorandum

To: Reports and Records Section
Administrator

From: Defense Minerals Exploration
Administration

Subject: Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract Idm-M180

Enclosed is an original of a memorandum dated November 15, 1951, from Mr. Robert A. Laurence, Executive Officer, Region VII, transmitting an Amendment, which is also enclosed, to the captioned Exploration Contract. Please attach the Amendment to your copy of the contract.

C 11/26

C. O. Mittendorf (for)

Enclosures

JWAlt/meb
11/23/51

cc to: Adm. Files
Reports & Records
JWAlt
Docket

FILE COPY
SURNAME:

410

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

Attendorf

November 23, 1951

Memorandum

To: Chief, Finance Section
Administrator
From: Defense Minerals Exploration
Administration

Subject: Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract Idm-E180

Attached hereto is a copy of a memorandum dated November 15, 1951, from Mr. Robert A. Laurence, Executive Officer, Region VII, and a copy of the amendment to which the memorandum refers.

Please forward the copy of the amendment to the Finance Officer, Region VII, for attachment to his copy of the contract.

N.S
R+R

C. O. Mittendorf (fw)

Enclosures

JWAlt/meb
cc to: Adm. Files
Reports & Records
JWAlt
Docket

OFFICE OF THE ADMINISTRATOR

9m 2lt

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

DEPARTMENT OF THE INTERIOR
RECEIVED
NOV 20 1951
Defense Minerals Administration,
Production Expansion Division.

November 15, 1951

Memorandum

To: Mr. Frank E. Johnson, Acting Director
Production Expansion Division

From: DMA Field Team, Region VII

Subject: DMA Docket No. 1250X, Lawrence Schmitt,
Contract Amendment

Enclosed herewith are original and three signed copies of an amendment to the above subject contract.

Kefton H. Teague

Kefton H. Teague
Acting for Robert A. Laurence
Executive Officer, DMA Field Team
Region VII

Enclosure

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
Nov 19 9 06 AM '51

FILE COPY
SURNAME:

410

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

NOV 7 1951

Contract Service Section
General Accounting Office
4th Floor - New GAO Building
Washington 25, D. C.

Re: Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract Idn-E180

Gentlemen:

Enclosed for recording in your office is the original, signed copy of an Exploration Project Contract executed between the Operator named in the above reference and the Government of the United States.

Sincerely yours,

(signed) FRANK E. JOHNSON (fw)

Acting Director
Production Expansion Division

Enclosure

10/31/51
JWAlt/meb

cc to: Admr's Reading Files
Reports and Records
Messrs. Mittendorf/Olund
Mr. Alt
Docket

OFFICE OF THE ADMINISTRATOR

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

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.
OCT 31 9 30 AM '51

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 31 1951
Defense Minerals Administration,
Production Expansion Division

October 29, 1951

Mr. C. O. Mittendorf, Director
Production Expansion Division
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Re: Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract Idm-E180

Dear Mr. Mittendorf:

Enclosed herewith are the original and three copies of the contract for Lawrence Schmitt, which he has signed, and returned to this office. One copy was retained by the applicant and one copy is being kept for our file.

Sincerely,

Wm. A. Beck

Wm. A. Beck for R. A. Laurence
Executive Officer, DMA Field Team
Region VII

Enclosure

FILE COPY
SURNAME:

410

Mittendorf

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

a. E.C.

Mr. Robert A. Laurence
Executive Officer
Region VII
Room 13, Post Office Building
Knoxville 01, Tennessee

Re: Docket No. DMA - 1250X
Lawrence Schmitt
Exploration Project Contract Idn-E180

Dear Mr. Laurence:

We are enclosing the original and five copies of the above-subject contract, signed by me, together with the attached Exhibit "A" (1 page), and "Landlord's Subordination Agreement", and one map.

If the terms and conditions of this contract meet with the approval of the Operator, all six copies should be signed by a duly-authorized official of the company, one copy should be given to the Operator, one copy retained by your office and the original and three copies returned to this office.

If any part of this contract does not meet with the approval of the Operator, the original and all copies of the contract are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

C. O. Mittendorf (J.A.) 10-17

C. O. Mittendorf, Director
Production Expansion Division

Enclosures

APPROVED:

Chairman, Coordinating Committee

Member, Geological Survey

Member, Bureau of Mines

JWAlt/meb
10/12/51
cc to: Admr's Reading Files
Reports & Records
Messrs.Mittendorf/Olund
Barr
Arundale Norton
Moon Docket Alt

FILE COPY
SURNAME:

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

140 1250X
DMA-~~2076~~ Guthrie

not stripped in RTR.

October 11, 1951

Memorandum

To: Director, Production Expansion Division

From: General Counsel

Subject: Lawrence Schmitt, exploration project contract Docket No. DMA-1250x

The proposed exploration contract, received at this office on October 5, is approved as to legality in spite of the obvious insufficiency of the description of the property in Article 2 of the contract form. The amount of the contract is small, $3,600, of which the Government will contribute $3,260. The description used is the same as that appearing in the lease under which the applicant holds the property. It may be doubted if the "two (2) acres of land" referred to in the description could actually be located without a survey, which, of course, would have to be made in advance in order to enter the proper legal description in our exploration contract form.

The only possible detriment to the Government should this description prove to be insufficient would be the failure of its lien to attach under the terms of the contract. In this particular case, such failure would not make any practical difference because the two acres apparently is a small parcel in the farm of the lessor, and the lessor has signed a subordination agreement in the usual form under which he assumes the obligations of the lessee in case the lease is surrendered or terminated. Under these circumstances, the lessor would be in a poor position to contend that any discovery resulting from the exploration is not within the two acres referred to in the lease.

J. L. Hofflund

J. L. Hofflund
General Counsel

a.e.c.

Attachment
RRGuthrie/JLHofflund/em
Copy to: Reports and Records
J. L. Hofflund
R. R. Guthrie

SILVER CREEK PRECISION CORPORATION

SILVER CREEK, CHAUTAUQUA COUNTY, NEW YORK

September 26th, 1951

OFFICIAL FILE COPY

To	Init.	Date
370	a-EC	10-1
210		

Mr. James A. Barr, Sr., Chief,
Industrial Minerals Branch,
United States Dept. of Interior,
Defense Minerals Adminstration,
Washington, 25, D.C.

Subject: DOCKET 1250X; MARTIN MICA MINE, SHELBY, NORTH CAROLINA

Dear Mr. Barr,

The enclosed subordination agreements were today returned from North Carolina.

If there is anything further you require, please advise.

Very truly yours,

SILVER CREEK PRECISION CORPORATION

Lawrence Schmitt

Lawrence Schmitt
President

encls.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
SEP 28 3 43 PM '51

FILE COPY
SURNAME:

Barr

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

370

SEP 14 1951

Q, E, E

Mr. Lawrence Schmitt
Silver Creek
New York

Subject: DMA-1250X - Mica
Martin Mica Mine

Dear Mr. Schmitt:

As you were advised by telephone on August 20, final action on subject application is being held in abeyance pending receipt of executed Landlord's Subordination Agreements, form DF-202.

Unless we receive these within thirty days, we will consider your application withdrawn. In that case it would be necessary for you to file an entirely new application, should you wish to apply for Government assistance on subject deposit in the future.

Sincerely yours,

SIGNED

James A. Barr, Sr., Chief
Industrial Minerals Branch

JF 9/14

Enclosures

RWASKEY:mp
9-14-51
cc: Field Team, Region VII (2)
DMA Docket File
Mr. Barr

410
FILE COPY
SURNAME:

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

Mittendorf

August 15, 1951

a.r.c.

Memorandum

TO: Mr. Thomas Lyon
Director Supply Division

FROM: C. O. Mittendorf, Director
Production Expansion Division

SUBJECT: Docket No. DMA - 1250X - Commodity, Mica
Assistance for Exploration Project,
Lawrence Schmitt, Silver Creek, New York
Martin Mica Mine, Cleveland County, North Carolina

In order to process this application we would need a subordination agreement. In letter of June 15, 1951, to Mr. James A. Barr, applicant states: "Under separate cover I am sending you Landlord's Subordination Agreement in triplicate." This is not included with this file.

A legal description of Martin's property such as the page and book numbers as recorded in the Cleveland County Courthouse covering the deed to owner Martin. Location on map of the holes to be drilled with approximate angle and length of each hole.

We are herewith returning to you the entire file of this docket.

C. O. Mittendorf (J.W.)

C. O. Mittendorf

Enclosure

JWAlt/meb
cc to: Reports & Records
Adm.Reading File
Messrs.Mittendorf,Olund
Barr
Waskey
Docket
J.W.Alt

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

FILE COPY
SURNAME:

Barr

Memorandum:

To: Director, Production Expansion Division
Defense Minerals Administration

From: Director, Supply Division
Defense Minerals Administration

Subject: Recommendation for Contract Approval

Name of Applicant: Lawrence Schmitt
Silver Creek
New York

DMA No. 1250-X

Commodity: Mica

Amount Requested: $ 75,000

Amount Approved: $ 3,600

Government Participation: 90 % $ 3,240

Tom Lyon

Tom Lyon

Docket DMA 1250-X

July 18, 1951
Code 370

Recommendation

That an Exploration Aid Contract be granted in the amount of $ 3,600, Government Participation 90% in accordance with Exhibit "A" attached.

EXHIBIT "A"

3) Work to be performed: The work will consist of coreing three diamond drill holes (NX core) totaling a maximum of 600' in length. Drilling will be by contract, operator will handle cores, testing, etc. Location, direction and depth of individual holes will be mutually agreeable to Field team and operator. Maximum allowable cost $ 3,600; time limit 4 months.

4) Performance of work: Drilling will be contracted as follows:

600' NX drilling @ $5/ft.	$ 3,000

5) Not Applicable.

6) Operating equipment and supplies:

Core boxes, handling, shipment, core testing	150

8) Labor & supervisor:

1 superintendent 30 days @ $15/day	450
TOTAL	$ 3,600

IN REPLY REFER TO:

G-MD-JJN

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

July 16, 1951

Memorandum

To: Robert Waskey

From: J. J. Norton

Subject: Application DMA-1250X from Lawrence Schmitt and application DMA-293 from L. Rex Boone, both for Martin mica mine, Shelby, North Carolina.

Application DMA-1250X from Lawrence Schmitt and application DMA-293 from L. Rex Boone are apparently for the same property, the Martin mica mine in Cleveland County, North Carolina. Before further action is taken on either of these applications you should determine who has the mining rights to this property. Mr. Schmitt has supplied ~~the~~ rather complete documentation on his lease, and presumably he is the only one who has a right to operate this property. I believe that a letter was written to Mr. Boone on April 12, 1951, but I do not know whether it asks him to submit proof of his right to the property.

I concur with most of Mr. Prouty's remarks in the enclosed papers. It is noteworthy, as Mr. Prouty points out, that the applicant expects to work this property on an unjustifiably grandiose scale.

I believe that sufficient information is available in the files of the Geological Survey here in Washington to warrant an exploration grant. Probably no additional data could be acquired from a field examination.

The Martin mica mine contained a very excellent mica deposit that apparently was mined out during World War II. The work needed now on this property is exploration for new mica-bearing ground. It is possible that additional mica-bearing pegmatite would be found either (1) along the plunge of the roll that was mined during World War II or (2) in undiscovered rolls down dip from the old workings. I suggest that a contract be made with the operator for three diamond drill holes totaling approximately 600 feet at a cost of approximately $3,000 to $4,000. The Geological Survey will be glad to assist in locating and interpreting the drill holes.

JJ Norton

J. J. Norton

L-Rex Boone has informed us that he now has no lease - DMA-293 is being denied - talked to Schmitt by phone - he promised to have subordinations for us in about a week GMR 7/17

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA 1250X

Commodity Mica

Total Amount $75,000.00

Govt. Participation 90%

1. Name and Address of Applicant Lawrence Schmitt
Silver Creek, New York.

2. Location of Property 4 miles from Shelby, North Carolina
in Cleveland County, No. Car.

3. Mineral or metal Mica Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? ✓
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes

Does the lease have sufficient time to run to cover a future productive period? Yes - runs to Jan. 10, 1953 with option to renew for 5 yr.

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes

a) MF-201? none required.

b) MF-202 none submitted

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower No data - probably OK.

b) Equipment and supplies Yes - extensive list of equipment now on property
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* No information

e) Power (question 13)* Power line on property - Yes

Is a field check needed on any of these points? Yes

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Probably Yes - has experience operating gold mines

Is a field check needed on this point? Yes -

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? No -

If not, are there sufficient data given so that you can describe the project? No If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? No - map shows workings but no exploration shown.

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Work indicated, "cleaning up & retimbering" - is

If not, what part of it is? production preparation

No exploration program outlined.

Is this part a worthwhile exploration project? No exploration given

d) Are the cost estimates detailed? No - none given

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? No If so, attach a draft.

e) Are the cost estimates reasonable? None given

f) Should more information be requested from applicant? Yes - by field team

g) Is a field examination necessary to complete Exhibit A? Yes

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes -

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? Yes - structure too elaborate for exploration project.

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes -

b) Sufficient data? No If so, attach a draft.

c) Are rents and charges reasonable? No - appear high.

d) Is a field check needed? Yes - to check equipment required -

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? No.

b) Is the schedule adequate for the work proposed? Yes -

c) Is the schedule excessive for the work proposed? No - after stripping completed

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? Yes - to check requirements

14. Exhibit E (question 23-c)*

a) Is it applicable? No - No repairs necessary -

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? As outlined - Yes.

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? Check whether the work to be done is exploration or prepatory to production. Also check the labor required + the equipment - entire list is too elaborate for exploration

Reviewed by: [illegible]

I believe no field exam is needed
J J Norton
7/13/51

Date 7/11/51

INT.-DUP. SEC., WASH., D.C. 99009

7/11/51

Docket No - DMA 1250X

This project was originally submitted as an application for an operating loan which was later withdrawn & an application for exploration assistance submitted. The object of the program is still closely related to preparation for production. The only program discussed is the cleaning up + rehabilitation of the old Martin Mica Mine. As such it definitely would have to be carefully investigated by the field team to determine the exploration possibilities of the property.

Section 10. Exhibit "A."

The project is very poorly described + primarily concerned with reopening the mine for production. The program is not split into exploration + development + nothing is said of the work to be done to explore the ~~factory~~ area. No costs are estimated & an elaborate list of equipment is presented for either purchase or rental - to elaborate for an exploration project.

The field team should investigate the possibilities of exploration, the equipment needed & the labor that would be needed for such work.

Section 11 - Exhibit "B"

The program proposed for construction is too elaborate for exploration needs although some protection will be necessary for equipment + supplies. The need of a special structure for "depressing" (whatever that term means) + first aid is not proper for exploration although very desirable for production operations. The field team should discuss this question with the applicant & determine the actual needs.

(28)
7/11/50

D.M.A. 1250 X

Section 12 Exhibit "C"

An extensive list of equipment is enclosed with the application, apparently on the property & to be rented by the project from the owner, the applicant. Much of this will be of little use in an exploration program & the list should be checked by the field team & reduced to those items actually needed by the project.

Without an idea as to the condition of this equipment it is hard to judge the reasonableness of the values assigned to it. A lump sum of $200.00 per day is quoted for rental of equipment & apparently includes the entire list. This appears high & by eliminating the equipment not needed can probably be considerably reduced. The field team should check this equipment both for condition & for the actual needs of the project.

Section 13. Exhibit "D"

In the absence of definite information about the work program to be followed it cannot be determined just what labor force will be needed. On the basis of what is stated the force listed appears reasonable, except possibly the "Mechanical Asst." The cost listed for the 4 men during "preparation & clean-up work", $400. @ for 2 months, appears to be in error. The rates quoted are reasonable although the superintendent's rate appears rather high.

This matter should be ~~be~~ studied by the field team & discussed with the applicant to eliminate work not directly related to the exploration phase of the project.

(3) 7/10/51

DMA. 1250 X

Section 14. Exhibit "E"

No expenditure is included for repair work or rehabilitation of existing facilities & no mention is made of what facilities or structures are on the property which might be used. Any such repair work that might be found necessary would probably be of comparatively little cost.

Section 16- Recommendations.

This application although changed from original production ~~based~~ base to an exploration assistance form still appears to be primarily concerned with preparation for production. No definite exploration program is outlined & the amount requested is out of range for the exploration phase of the job. & undoubtedly includes funds for reopening the mine.

The application should be referred to the field team which should check the exploration possibilities of the old mine & separate the exploratory part of the proposed program from that which is related to preparation for production. It should also decide which pieces of equipment will be necessary for exploration work & determine the proper rental values which should be allowed. The labor required for this phase of the work should also be determined

CMP

FILE COPY
SURNAME:

Barr

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

July 6, 1951

Silver Creek Precision Corporation
Attn: Lawrence Schmitt, President
Silver Creek, Chautauqua County
New York

Gentlemen:

Subject: DMA-1250X
Martin Mica Mine

Referring to your letter of June 30, the exploration loan application docketed DMA-1250X, is being processed as rapidly as possible.

Sincerely yours,

mp

James A. Barr, Sr., Chief
Industrial Minerals Branch

JABARR:mp

cc: Reports & Records Section
Mr. Barr
DMA Files

DMA 1250

B

SILVER CREEK PRECISION
CORPORATION

SILVER CREEK, CHAUTAUQUA COUNTY, NEW YORK

June 30th, 1951

Mr. James A. Barr, Sr., Chief,
Industrial Minerals Branch,
U.S. Dept. of the Interior,
Defense Minerals Administration,
Washington, 25, D.C.

Subject: Docket DMA-1250X, Martin Mica Mine, Shelby, North Carolin

Dear Mr. Barr,

I have for acknowledgement your letter of June 26th and wish to bring to your attention Mr. Landon F. Strobel's letter of May 28th which acknowledges receipt of our application for an exploration loan and production loan.

We withdrew the production loan end of our application in our letter of June 15th upon your advice of June 6th.

The purpose of this letter is to make sure that our application for the exploration assistance was not withdrawn and that the information sent to you in response to your letter of June 6th was supplementing our original application of May 15th so that our application for exploration assistance is being considered because it was filed in excess of thirty (30) days prior to the expiration of the authority granted by the Defense Production Act of 1950, which is June 30th.

Our original application for exploration assistance was filed May 15th, 1951, and referred to your office on May 25th, which gets us under the deadline. We will appreciate hearing from you further so as to clarify the status of my application.

Very truly yours,

SILVER CREEK PRECISION CORPORATION

Lawrence Schmitt
President

ls:b

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 2 - 1951

LANDON F. STROBEL
Executive Secretary

FILE COPY
SURNAME:

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

June 26, 1951

Mr. Lawrence Schmitt, President
Silver Creek Precision Corporation
Silver Creek, Chautauqua County
New York

Subject: Docket DMA-1250X
Martin Mica Mine
Shelby, North Carolina

Dear Mr. Schmitt:

We have your letter of June 15, 1951, withdrawing your application for a loan, docketed DMA-1250X, and submitting an application for exploration assistance docketed DMA-1250X.

The deadline for consideration of exploration loans has passed, and will not be reopened unless the Act is extended for another year.

Your application DMA-1250X will be placed on file.

Sincerely yours,

MS

James Barr
James A. Barr, Sr., Chief
Industrial Minerals Branch

JAB:dak

cc: Mr. Strobel
Mr. Barr
DMA Files

DMA 1250

856

Dma - 1250 X

SILVER CREEK PRECISION
CORPORATION

SILVER CREEK, CHAUTAUQUA COUNTY, NEW YORK

June 15, 1951

Mr. James A. Barr
Room 3538
Department of Interior
U. S. Bureau of Mines
18th. and "C" Streets
Washington, D. C.

Subject: Docket 1250X
Martin Mica Mine
Shelby, North Carolina

Dear Mr. Barr,

I hereby withdraw my loan application dated 9, May 1951 and request that you consider my application for exploration aid.

Supplementing the data in the above file, I herewith submit additional information and copy of lease as requested in your letter of 6, June 1951, VIZ:

A. 7 Answers to questions. Numbers 7; 10; 21; 23; and 24 of Form M. F. 103, in triplicate.

B. 10 Copy of lease in triplicate.

Under separate cover I am sending you Landlords Subordination Agreement in triplicate. (Complete maps of property were filed with application on 6, June 1951.)

E. 23A. During preparation and clean-up work, two men, one crane operator and one bulldozer operator @ $1.25 per hour....Two months, total $400.00

A. When sinking and drifting begins, we will require a total of four miners.....@ $1.00 per hour	$160.00 per week			
A1. Top or Mill man.....@ 1.00 per hour	40.00	"	"	
B. Superintendant.....@ 2.25 " "	90.00	"	"	
B1. Mechanical ass't.....@ 1.50 " "	60.00	"	"	
total per week.....$	350.00			
total for 26 weeks.....				9100.00
			Total	$ 9500.00

23.C. None

D. 1. Tool shed-two compartments, one side for depressing room and first aid, bunk, etc. One side for tools, etc. approximately 18'x20'	$1000.00
2. Compartment outside toilet-labor and material	50.00
3. Dynamite storage (underground) approximate cost	25.00
4. Fuse storage (underground) " "	25.00
D. Hoist and House shelter " "	30.00
E. Bulldozer (used, costs new $14,000)	7500.00

Continued on next page

F. None
G. Rental Value ($200.00 per day) for six months figuring only (five days a week) $26,000.00
H. Dynamite and caps-six months supply (40 cases) 994.80
Gasoline " " " approximate cost for 6000 gals. @ 24.4 per gal. $1464.00
Tax refund 300.00
1164.00 1,164.00
Fuel Oil " " supply 942.50
Motor Oil (Diesel) 30 gal. 40.00
Grease and Marfac for crane etc. (200 lbs.) 165.30
Oil for all crank cases (50 gal.) 28.70
I. Estimated Electric Bills (six months) 60.00
Total $38,025.30

24. Expect to have all clean-up work finished within two months and sinking and drifting to begin at that time. For time schedule, figure cost outlay of $13,000 to $15,000 during the first sixty days. Approximately $2,200.00 to $2,500.00 per month thereafter without paying the above $26,000.00 rental on equipment now owned and used on project.

25. Insurance and unexpected Fund (average $100.00 per working day over six month period) $12,000.00
Progress Estimate: $50,025.30

Mica should be produced from clean-up and preparatory work at the end of sixty days. Production at the end of sixty days by weeks will depend on continuance on Pegmatite Bearing formation in the veins to be opened up. There are three veins which produced considerable mica above present depth and indications are that the pegmatite formation will continue beyond the area to be cleaned out and made ready for mining.

If you need anything else please advise and if necessary, I'll run down to see you in person.

Yours very truly,

Lawrence Schmitt

LS:RK

FILE COPY
SURNAME:

Barr

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

June 6, 1951

Mr. Lawrence Schmitt, President
Silver Creek Precision Corporation
Silver Creek, Chautauqua County
New York

Dear Mr. Schmitt:

Subject: Docket DMA-1250X
Martin Mica Mine, Shelby, N.C.

We acknowledge receipt of your letter dated May 19, with application forms applying for exploration project aid and for a Government loan on the Martin Mica Mine. We have carefully studied your proposals and believe that it would be best at this time to consider your proposal strictly as an Exploration project since there appears no evidence of a proven reserve of strategic mineral on the property. We suggest therefore that you withdraw the loan application.

In order to further consider your application for Exploration Project Aid we must be supplied the following information: (see question numbers of form MM-103).

7/ Copy of the lease must be furnished. Also, Landlords Subordination Agreement, form MM-202, must be executed and submitted in triplicate.

10/ Furnish legal description of the property with copies of any deeds, if applicable, and recording data.

21/ Describe in more detail the nature of the work to be undertaken, for example, trenching to be done, how much and where, what shafts or tunnels to be cleaned out, new shafts or tunnels to be excavated. Will de-watering be needed, etc.

23/ Tabulate the Requirements and Costs, sub-items (a) to (i) inclusive, as completely as possible.

24/ Furnish a time schedule of the project.

Extra Files

On receipt of the above information we will be glad to continue a study of your project. An examination by the Field Team may or may not be required.

Sincerely yours,

James M. P. Barr, Sr., Chief
Industrial Minerals Branch

Enclosures

RWASKEY:mp

cc: Mr. Strobel
Mr. Barr
DMA Files

original letter held in our file and application until same is processed.

FILE COPY
SURNAME:

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

May 28, 1951

Mr. Lawrence Schmitt
282 Central Avenue
Silver Creek, New York

Subject: DMA-1250X
Re: Exploration and
Production Loan
Martin Mica

My dear Mr. Schmitt:

Receipt is acknowledged of your application and attachments of May 15, 1951 for an exploration and production loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1250X and was referred to Mr. James A. Barr, Chief, Industrial Minerals Branch on May 25, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1250X.

Sincerely yours,

LANDON F. STROBEL jhs

Landon F. Strobel
Executive Secretary

LFSTROBEL:jhs
cc: Strobel-2
✓Files
Barr
Lyon