Docket Copy

TERMINATION OF EXPLORATION PROJECT CONTRACT

To: Ottis L. Buchanan

Ira Buchanan

Hawk, North Carolina

Operator under Exploration Project
Contract I-dm-E430, Docket No.
DMEA-2524, dated October 30, 1952

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above-mentioned contract, hereby terminates the contract on the following grounds:

(a) Your failure to provide your share of the money necessary to prosecute operations pursuant to the terms of the contract.

(b) In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract.

THE UNITED STATES OF AMERICA

Hook
Ruton
Chamberlain

JUN 2 - 1953

By Robert H. Lawrence
Executive Officer
DMEA Field Team
Region VII

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

REGISTERED MAIL
Return Receipt Req.

June 1, 1953

Buchanan & Buchanan
c/o Otis Buchanan
Hawk, North Carolina

Re: DMEA-2524, Idm-E430 (mica)
Joe Stevenson Mine

Dear Sirs:

Enclosed is notice of termination of the subject exploration contract for failure to prosecute operations pursuant to the terms of the contract.

Please return the set of forms sent you on May 4, which you did not sign.

Yours very truly,

Robert A. Laurence,
Executive Officer, DMEA
Region 7

RAL/mm
cc:
Beck
Lynch
Opr. Com.
Files

Extra Copy

TERMINATION OF EXPLORATION PROJECT CONTRACT

To: Ottis L. Buchanan

Ira Buchanan

Hawk, North Carolina

Operator under Exploration Project
Contract I-dm-E430, Docket No.
DMEA-2524, dated October 30, 1952

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THE UNITED STATES OF AMERICA

By_____
Executive Officer
DMEA Field Team
Region VII

Docket

ACKone
4/24/53.
Ambin

CONTRACT AMENDMENT NO.1

Contract Docket No. DMEA-2524, Idm-E430, dated the 30th day of October 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Otis L. Buchanan and Ira Buchanan, partners, doing business as Buchanan and Buchanan, Hawk, North Carolina, is hereby amended as follows:

1. Article 3 is amended to read, "The Operator, ...; and shall bring the project to completion within a period of 9 months from the date of contract" instead of 5 months as stated in the original 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 cost which the Government may be obligated to pay, under the provisions of Article 4 of the contract form.

Dated: March 17, 1953

UNITED STATES OF AMERICA

By Robert A. Lawrence
Executive Officer, DMEA-Region 7

BUCHANAN AND BUCHANAN

By Ottis L. Buchanan
Ottis L. Buchanan, Partner

By [illegible]
Ira Buchanan, Partner

Extra Copy

TERMINATION OF CONTRACT

IT IS AGREED this 28th day of April, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the Government, and Otis L. Buchanan and Ira Buchanan, partners doing business as Buchanan & Buchanan, hereinafter called the Operator, parties to that certain Exploration Project Contract Idm-E430, Docket No. DMEA-2524, dated October 30, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator. All claims and demands by the Operator on account of work performed and not fully paid for are hereby waived, and the undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of the said Exploration Project Contract.

WITNESS the following signatures as of the day and year first above written.

BUCHANAN & BUCHANAN
Operator

By _____
Partner

By _____
Partner

THE UNITED STATES OF AMERICA

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

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

DOCKET NO. DMEA 2524

COMMODITY Mica

Docket Copy
IDM-E 430

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 30th day of October, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] _____

hereinafter called the "Operator," as follows:

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

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of _____, County of _____, described as follows:[3] _____

the Operator represents and undertakes:[4]

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

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

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

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

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

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

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

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

EXPLORATION PROJECT CONTRACT
BUCHANAN AND [illegible]
DOCKET NO. [illegible]-2524

Exhibit A

The property referred to in Article 2 hereof is described in a lease dated January 3, 1952, from Arthur Stevenson and Electa Stevenson, his wife, to the Operator, recorded January 3, 1952, in the Office of the Registrar of Deeds for Mitchell County, North Carolina, in Deed Book No. 11, page 75, and its beginning point is indicated on the map attached hereto and made a part hereof and entitled "Surface Map, W. C. Burleson Mica Mine, [illegible]-2524", and its detailed description is as follows:

Beginning at a point where the small stream encounters the old mine dump and running thence due north for 300 feet to a stake; thence, due west 300 feet to a stake; thence 600 feet due south to a stake; thence 600 feet due east to a stake; thence 600 feet due north to a stake; thence 300 feet due west to a stake (point of closure).

EXPLORATION PROJECT CONTRACT
BUCHANAN AND BUCHANAN
DOCKET NO. DMEA-2524

EXHIBIT "A"

Description of the Work

At the site of the proposed inclined shaft, as indicated on the attached map described in Annex I, deepen the existing test pit which is now 15 feet deep to a total depth of approximately 49 feet. The shaft as sunk from the bottom of the above-mentioned test pit shall be 5' x 7' in cross section and approximately 34 feet deep.

Drift a maximum of 60 feet along the hanging wall of the pegmatite from the bottom of the shaft, as indicated on the above-mentioned map.

The exact location, direction, and extent of the work is to be specified by the Government.

Agreed Estimated Costs

Sink 34 feet of shaft @ $50/ft.	$1,700.00	
Drift 60 feet @ $35/ft.	2,100.00	
Total Agreed Estimated Costs		$3,800.00
Government Participation @ 90%		$3,420.00

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, leased to Ira Buchanan and Otis L. Buchanan, in lease dated January 3, 1952, recorded in Deed Book 11, page 75, and more particularly described as follows: BEGINNING at a point where the small stream encounters the old mine dump (point shown on map identified as "Surface Map - W. C. Burleson Mine - DME1-2524" attached to the contract between the United States of America and Otis L. and Ira Buchanan), and running thence; due north for 300 feet to a stake; thence, due west 300 feet to a stake; thence 600 feet due south to a stake; thence, 600 feet due east to a stake; thence, 600 feet due north to a stake; thence, 300 feet due west to a stake (point of closure).

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

2/ _____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

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

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

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

Dated this _____ day of October 13, 1952.

_____ [Seal]

Arthur Stevenson [Seal]

Electa Stevenson [Seal]

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

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

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

OCT 14 1952
RECEIVED
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA DMA Docket No. 2524

DO NOT DETACH THIS SLIP

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

This document has been recorded as

EXPLORATION PROJECT

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

Routing Slip

Copies to USBM, USGS, and Region VII.

To:	Code 600, Rm. 4637	Date	5-14-52
To:	Fettler	Date	5/14
To:	Op Conn	Date	7-30-52
To:	Op Conn	Date	10- -52
To:		Date	
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

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

Project Summary Report

By: Walter C. Anderson November 17, 1953

1. DMEA Docket No. 2524 - Mica
Contract No. Idm-E430
W. C. Burleson (Joe Stevenson) Mine
Mitchell County, North Carolina

Operators: Otis L. and Ira Buchanan
d.b.a. Buchanan and Buchanan
Hawk, North Carolina

Operator's Property Rights:
Lease - dated January 3, 1952
Owner's Consent to Lien - dated July 25, 1952

2. Contract - dated October 30, 1952

Work authorized:

34 feet of shaft @ $50/ft.	$1,700.00
60 feet of drift @ $35/ft.	2,100.00
Total	$3,800.00
Government's participation @ 90%	$3,400.00

Amendments:
No. 1 - 3/17/53 - Extends completion date from 5 months to 9 months.

Work completed:

25 feet of shaft @ $50/ft.	$1,250.00
Total	$1,250.00
Government's participation @ 90%	$1,125.00

The contract was terminated by the Government on June 2, 1953, for failure to prosecute operations pursuant to terms of the contract.

3. Audit Certificate issued July 14, 1953.

Total cost as billed by Contractor		$1,700.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith, in accordance with the determination of the Chairman, Operating Committee, as stated in letter of May 28, 1953, to the Executive Officer of DMEA Field Team	450.00	450.00
Total accepted cost		$1,250.00

Government participation @ 90% $1,125.00

4. Certification of Discovery - None issued.

5. Comments:

The project was conducted in a very poor manner. According to the Field Team the Operator's behavior in carrying out its contract obligations give it a reputation of being very irresponsible. Work accomplished under the contract consisted of deepening an existing 15-foot pit, 34 feet on a 60-degree incline to 49 feet. When the incline was completed, the Operator abandoned the project and refused to drive the 60 feet of drifts as provided in the contract. The project began on November 10, 1952, and was terminated for cause on April 28, 1953. That portion of the project completed failed to discover a worthwhile deposit; therefore, no certification of discovery should be issued.

FILE COPY
SURNAME:

Anderson
Hawk

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

600

Project Summary Report

By: Walter C. Anderson November 17, 1953

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WCAnderson:gad 11/17/53

Copy to: Admr. R. File
Docket File
Mr. Houk

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1953

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

November 10, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Mica

Applicant: Otis and Ira Buchanan
Name and Location of Property: Joe S. Stevenson Mine
Mitchell County, North Carolina
Date of Final Field Team Report: September 16, 1953
Contract: Idm-E430
Field Team's Recommendation:

1. No certification.

Comments;

1. Operations abandoned before project brought to completion.
2. No worthwhile deposit of mica found.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO: G-MD-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 30 1953

September 28, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2524 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina
Name of property: Joe S. Stevenson mine.
Location of property: Mitchell County, North Carolina.
Date of field team report: September 16, 1953.
Authorship of field team report: Kefton H. Teague and L. E. Shirley.
Field team's recommendation: Termination of contract with no certification of discovery.
Comments: It is recommended that no additional projects from either applicant be considered, as a result of the way they handled this contract.

ACTION SUGGESTED:
Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR

COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

September 17, 1953

Memorandum

To: Chairman, Operating Committee

Reviewed by
DMEA OPERATING COMMITTEE
9-28-53
(date)

From: DMEA Field Team, Region 7

Subject: Final Reports.

Transmitted herewith are the field examiners final reports on the following projects:

DMEA-2416, Idm-E328, J. W. Autrey Mine (mica)

DMEA-2824, Idm-E511, Hawkins Mine (mica)

DMEA-2832, Idm-E503, Bear Pen Mine (mica)

DMEA-2561, Idm-E420, Poston Prospects (mica)

DMEA-2375, Idm-E349, Swannanoa Mine (mica)

DMEA-2524, Idm-E430, Joe Stevenson Mine (mica)

Attached to the appropriate reports are also the Operator's final reports on the following:

DMEA-2832, Idm-E503, Bear Pen
DMEA-2824, Idm-E511, Hawkins Mine
DMEA-2416, Idm-E328, J. W. Autrey

The operators final report on Poston Prospects, DMEA-2561, Idm-E420 has previously been forwarded.

Final reports have not been received from the operator on the following:

Swannanoa, DMEA-2375, Idm-E349, and J. W. Stevenson Mine, DMEA-2524, Idm-E430. As soon as these reports are received they will be forwarded.

The Field Team is in agreement that none of the projects herein described warrant certification.

/s/ Wm. A. Beck
U. S. Bureau of Mines

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
REGION VII

FIELD TEAM FINAL REPORT

ON

JOE S. STEVENSON MINE
DMEA-2524, Idm-E430 (mica)
Mitchell County, N. C.

-BY-

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

and

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

September 16, 1953

Reviewed by
DMEA OPERATING COMMITTEE

9-28-53
(date)

DEFENSE MINERALS EXPLORATION
ADMINISTRATION

FINAL REPORT
ON
JOE S. STEVENSON (BILLY BURLESON) MINE
DMEA-2524, Idm-E430 (mica)
Operator: Otis L. Buchanan and Ira Buchanan, Hawk, North Carolina

The Joe Stevenson Mine is 6.1 miles by road a little south of east Bakersville, Mitchell County, N. C. It is about 1.5 miles S. 40° E. of Hawk, and is located along the north side of White Rock Ridge.

The operators abandoned the project before it was brought to completion. That portion of the project completed failed to discover a worthwhile deposit of mica; therefore, no certification of discovery should be issued.

Work accomplished under this contract consisted of deepening an existing 15-foot pit, 34 feet on a 60° incline to 49 feet. When the inclime was completed, the operators abandoned the project and refused to drive the 60 feet of drifts as provided in the contract. The project began November 10, 1952 and was terminated for cause on April 28, 1953.

A pegmatite of variable thickness is exposed in the 49-foot incline. In general it is in excess of 8 feet in thickness and is composed of a rather uniform mixture of medium coarse plagioclase feldspar, small segregations and lenses of smoky quartz, both ruby and green muscovite, serecite and small red garnets. Schist stringers extend for a foot or more into the pegmatite from both the hanging and foot walls. Apparently this is a characteristic of this particular pegmatite, although the operators would not recognize this feature. Instead they insisted that the pegmatite had pinched out in the bottom of the incline. Where exposed in the incline, the pegmatite averages 60° southeast in dip although the schist stringers from the wall are nearly flat. Approximately 800 pounds of book mica was obtained from the incline, about 50 percent was green in color. The green mica occurs along the footwall and the ruby variety on the hanging wall.

Expenditures:

(a) Total approved	$ 3,800.00
(b) Total Cost of Project	1,250.00
(c) Government's share of cost	1,125.00
(d) Government's share unexpended	2,295.00
(e) Value of production during operation - unknown	

So far as the work that was completed is concerned, it was conducted satisfactorily, although safety features practiced left much to be desired.

Reviewed by
DMEA OPERATING COMMITTEE

9-28-53
(date)

Otherwise the project was conducted very poorly. The operator abandoned the project without prior consent of the Government and extended the truth beyond its breaking point in attempting to justify the action. Never again will the present field examiners recommend a contract with either of the operators.

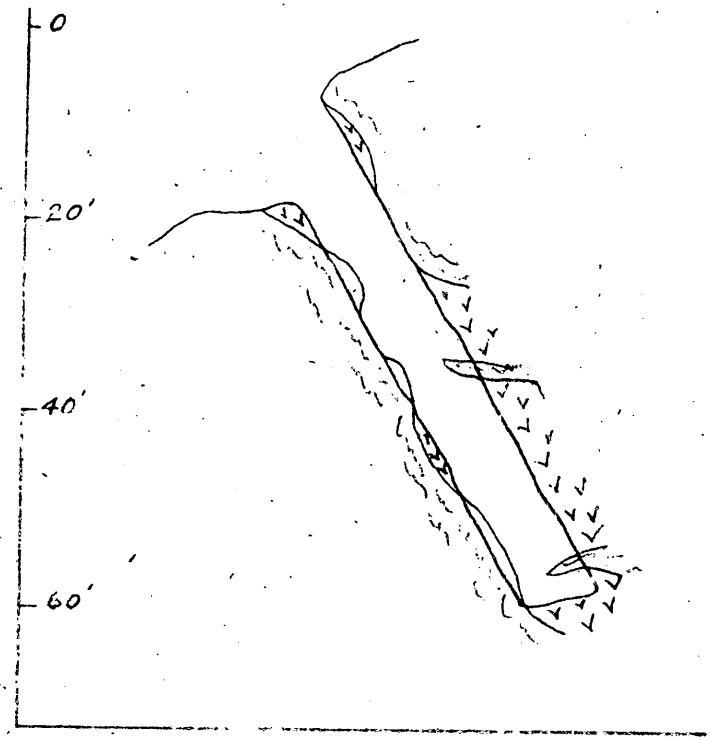
No equipment was purchased for this project as it was on a unit basis. However, the Government was able to salvage the final voucher of $405.00 which had not been paid at the time the project was abandoned.

September 16, 1953

Kefton H. Teague, USGS

L. E. Shirley, USBM

zm



Cross Section
to NE

Joe Stevenson Mine
Mitchell Co., N.C.

0 20' 40'

Scale.

DNER-2524 (mica)

FILE COPY
SURNAME:

140

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

N.S. in S.R.

July 6, 1953

Memorandum

To: Chief, Contract Administration and Audit Division

From: Chief Counsel

Subject: Termination of Exploration Project Contracts

Reference is made to your memoranda to me of May 14, on the general subject above indicated, and of May 22, on the same subject in its application to Buchanan and Buchanan, Docket No. DMEA-2524, Contract No. Idm-E430.

The current Exploration Project Contract forms (MF-200 and MF-200A) provide that the Government may terminate the contract:

(a) If the Operator fails to provide his share of the money;

(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.

Item (a) above, is really nothing but one element of Item (b) and the statement of these items will be revised in the new contract form. Both of these items refer to a default or breach of the contract on the part of the Operator. The third item, (c), does not refer to a breach by the Operator, but gives the Government the right to terminate even though the Operator may be performing pursuant to the terms of the contract.

It is plain that termination of a contract on account of breach by the Operator should have a different

effect from termination because the Government is of the opinion that the operations will not result in a discovery or development. In the first case, the Government may be justified in terminating or rescinding the contract and demanding repayment of money already contributed, and possibly damages in addition. In the second case, where the Operator is not in default, it is manifest that it is not intended that the Government may recover any money already contributed, but that it may merely refrain from contributing any more.

Your two memoranda raise the question of whether it is ever proper for the Government to terminate the contract and not demand the repayment of any contribution theretofore made.

The answer will depend upon the grounds relied upon for termination of the contract and the nature of the notice of termination. The Government would have the right to terminate an exploration project contract for the serious default or breach of an Operator, without the aid of any special provisions in the contract for termination. The termination provision in the contract forms gives the Government a much broader right of termination than it otherwise would have had. As stated in the contract, the Government may terminate "if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract." It was not intended that a termination under this provision would give the Government the right to recover money previously contributed, but only to relieve the Government of the obligation to contribute any more.

On the other hand, if the default or breach by the Operator is so gross and plain that there is no question about it (such as abandonment of the work without any excuse), and the Government wishes to terminate the contract and to recover the money already contributed, the notice of termination should not be given as under the terms of the contract ("in the opinion of the Government"), but should be given as a notice of rescission for breach of the contract by the Operator, with demand for the repayment of all money contributed. In a proper case, in addition to money contributed, the Government might recover damages for the Operator's failure to complete the work. I believe that to date any notices of termination that have been given have been notices under the provisions of the contract, without demand for the repayment of money previously contributed, and without any intention of recovering any money previously contributed. In connection with such terminations, it is my opinion

that the Government may not recover the money contributed at the time the notice was given.

You have suggested that these considerations should be set forth in an amendment or supplement to DMEA Circular No. 22. I agree with you in this, and will shortly revise DMEA Circular No. 22 to conform with what is above stated and with the provisions of the revised contract forms now pending.

None of the foregoing has anything to do with the termination of contracts by agreement. I have frequently pointed out that it is preferable to terminate by agreement where a suitable agreement can be worked out with the Operator. Termination by notice is to be made only where a satisfactory agreement cannot be negotiated.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund/emd ~~XX~~

Copy to: ✓Mails and Files
J. L. Hofflund
chron.
Adm. R. File

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

June 2, 1953

Memorandum

To: Chairman, Operating Committee, D M E A - Washington

From: Executive Officer, D M E A - Region 7

Subject: DMEA-2524, Idm-E430 (mica) Buchanan & Buchanan. Joe Stevenson Mine.
Termination of Exploration Project Contract.

Transmitted herewith are three signed copies of the termination notice on the above subject received from your office.

Distribution of the termination notice has been sent to Mr. Otis Buchanan, the Finance Officer, and one copy retained here. A letter was sent to Mr. Warren H. Pritchard, a copy of which is attached.

Robert A. Laurence
Robert A. Laurence

cc
6/4

FILE COPY
SURNAME:

140

2524

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

MAY 2 8 1953

Houk
Rubin
Office
[redacted]
Chapple
Selfridge
Hofflund
Whittenberg

Subject: Docket No. DMEA-2
(Mica)
Buchanan & Buchanan
Joe Stevenson Mine
Mitchell County, N. C.
Contract No. Idm-2430

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

Dear Mr. Laurence:

In response to your memorandum dated May 14 to the Chief Counsel concerning termination of the above-described project, there is attached a form of termination notice, under the provisions of the contract, which you may use in this case.

The Operator's January voucher should not be paid.

In addition to sending the termination notice to the Operator, you should follow up your letter dated May 14 to the Operator's attorney, Warren H. Pritchard, informing him that the contract has been terminated under the provisions of the contract.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

HCRubin:ep 5-21-53

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

FILE COPY
SURNAME: 800

Chamber

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

May 22, 1953

Memorandum

To: Mr. J. L. Heffland
Chief Counsel

N. S. in R. + R.

From: Jay L. Chambers, Chief (Signed) J. L. Chambers
Contract Administration and Audit Division

Subject: Contract No. Idm-1430, Docket No. DMA-2524 (Mica)
Buchanan & Buchanan, Joe Stevenson Mine
Mitchell County, North Carolina

I am forwarding the covering letter and attachments regarding the above-cited contract for advice on the following points.

This is a short-form contract. Does the Government have the right to terminate this project for cause which is not necessarily in the interest of the Government without making a claim for repayment of monies advanced to the Operator under the terms of the contract? Would it not be better to terminate this contract by mutual agreement? Surely, sufficient reasons could be had to show that the Government would in the long run be benefitted by closing the contract. Under the proposed termination, I wonder what basis the Contract Administration and Audit Division would have to approve the payments under this contract when a Report of Review is issued.

Attachment

JLChambers/wb
May 22, 1953

Copy to: Docket
Admr. Reading File
Mr. Houk
Mr. Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.
May 14, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 18 1953

Memorandum

To: J. L. Hofflund, Chief Counsel, D. M. E. A. Washington

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

Subject: DMA-2524, Idm-2430 (mica) Buchanan & Buchanan, Operators.

Attached herewith is a copy of a letter from Warren H. Pritchard, relative to the mutual termination agreement which was sent to the Operators for signature, and a copy of our reply.

We would call your attention to the Operator's letter of April 6 to us, in which he said " So unless you send me my check which amount to $405.00 on your part I will not try to do anything, and if you decide not to do so you can consider the matter closed as far as I am concerned," and Mr. Pritchard's letter of April 11 to Mr. Beck in which he said, "They state they are willing to forget the balance of $405.00 owed to them if you will agree to close out this matter in full."

Thus, the Operator's were obviously willing to accept the fact that their voucher could not be paid so long as they refused to complete the job. Now that the Government's attitude has softened to the extent of asking them to sign a mutual termination agreement, they evidently have decided that they can salvage $202.50 out of it. Personally, we do not see how such an agreement could be sanctioned.

Therefore, we renew the recommendation, made in our memorandum of April 13 to Mr. Houk, that the contract be terminated for cause and that the Operators be sent a notice that it is terminated without payment of the final voucher. That is, of course, assuming they do not have another change of heart and decide to sign the agreement.

Robert A. Laurence
Executive Officer, DMEA, Reg.7

RAL/am
cc:
-cok
Lynch
Opr. Com.
Files

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

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

May 14, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

Mr. Warren H. Pritchard

Spruce Pine, North Carolina

Re: DMEA-2524, Idm-E430 (mica)
Otis & Ira Buchanan

Dear Mr. Pritchard:

Your letter of May 12, relative to the termination of the subject exploration contract has been received. I have no authority to alter the form of an agreement which has been signed by the Administrator. If it is not satisfactory to the Operator in its present form, it should be returned to me, unsigned.

Very truly yours,

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

RAL/am
cc:
Beck
Lynch
Laurence
Opr. Com.

Hefflund

C O P Y

Law Offices of
WARREN H. PRITCHARD
Spruce Pine, North Carolina

May 12, 1953

Mr. Robert A. Lawrence
Defense Minerals Exploration Administration
U. S. Dept. of the Interior
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Re: DMEA-2524, Idm-E430 (mica)
Joe Stevens Mine
Otis & Ira Buchanan

Dear Mr. Lawrence:

The partners in the above numbered project have asked me to reply to your letter of may 4th addresses to Mr. Otis Buchanan at Hawk, North Carolina.

I note from this letter that it is your idea that the government will be willing to terminate the contract by mutual agreement but without payment of the last voucher which you are still holding.

Certainly we do not desire to become engaged in any long drawn out matters in connection with the termination, but in view of the considerable loss which these parties are sustaining anyway, we would like to make this proposition. They are agreeable to terminate the matter upon payment of one-half of the amount of the last voucher and that appears to me to be a reasonable settlement and thus bring to an end the project. I believe that upon consideration of the entire matter that this is a fair settlement of the entire matter and I hope very much that you may be able to work out settlement and termination upon such a basis. If this is not agreeable with you please advise us as we want to take the matter up with our Congressman and let him help us in working out a solution.

Very truly yours,

s/ Warren H. Pritchard

Copied SIC
by xm.

C O P Y

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

May 14, 1953

MAY 18 1953

Memorandum

To: J. L. Hofflund, Chief Counsel, D. M. E. A. Washington

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

Subject: DMEA-2524, Idm-E430 (mica) Buchanan & Buchanan, Operators.

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Therefore, we renew the recommendation, made in our memorandum of April 13 to Mr. Houk, that the contract be terminated for cause and that the Operators be sent a notice that it is terminated without payment of the final voucher. That is, of course, assuming they do not have another change of heart and decide to sign the agreement.

Robert A. Laurence
Executive Officer, DMEA, Reg.7

RAL/zm
cc:
Beck
Lynch
Opr. Com.
Files

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

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

WASHINGTON 25, D. C.

May 14, 1953

MAY 18 1953

Mr. Warren H. Pritchard

Spruce Pine, North Carolina

Re: DMEA-2524, Idm-E430 (mica)
Otis & Ira Buchanan

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Very truly yours,

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

RAL/sm
cc:
Beck
Lynch
Laurence
Opr. Com.

Hofflund

COPY

Law Offices of
WARREN H. PRITCHARD
Spruce Pine, North Carolina

May 12, 1953

Mr. Robert A. Lawrence
Defense Minerals Exploration Administration
U. S. Dept. of the Interior
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

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Joe Stevens Mine
Otis & Ira Buchanan

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Very truly yours,

s/ Warren H. Pritchard

Copied SIC
by zm.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

May 14, 1953

Memorandum

To: J. L. Hofflund, Chief Counsel, D. M. E. A. Washington

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

Subject: DMEA-2524, Idm-E430 (mica) Buchanan & Buchanan, Operators.

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Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA, Reg.7

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

FILE COPY
SURNAME:

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

action
Butin
Hough
Selfridge
Hedges
Kinkel

APR 28 1953

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

Re: Docket No. DMEA-2524 (Miss)
Buchanan & Buchanan
Joe Stevenson Mine
Mitchell County, N. C.
Contract No. Idm-E430

Dear Mr. Laurence:

Reference is made to your memorandum to me of April 13, 1953, regarding the method of terminating the subject contract.

This contract should be terminated by mutual agreement, and six copies of the termination notice are enclosed for your approval and submission to the Contractor for signature.

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

A. R. Kinkel, Jr.
Member, Geological Survey

4-28-53

Enclosures 6

AEKane:ep 4-23-53

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

Rough Draft

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

Subject: Docket No. DMEA- 2524 - Mica
Buchanan & Buchanan
Joe Stevenson Mine
Mitchell County, North Carolina
Contract No. Idm-E430

Dear Mr. Laurence:

Reference is made to your memorandum To me of April 13, 1953, regarding the ~~of~~ method of terminating the subject contract.

This contract should be terminated by mutual agreement and six copies of the termination notice are enclosed for your approval and submission to the Contractor for signature.

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

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 6

RECEIVED
APR 17 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Mr Feitler

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

Room 13, Post Office Building
Knoxville 2, Tennessee

April 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 16 1953

Memorandum

To: L. G. Houk, Chief, Non-Metallic Minerals Division

From: Field Team - DMEA - Region 7 - Knoxville, Tennessee

Subject: DMEA-2524, Idm-E430 (mica) Buchanan & Buchanan (Joe Stevenson Mine)

Enclosed are copies of letters from the Operator, dated March 24 and April 6, in reply to our letters of March 17 and April 1, copies of which were sent to the Operating Committee on those dates, and a letter from Warren H. Pritchard, attorney, Spruce Pine, North Carolina received this morning. This is the case which we discussed with you on the phone this afternoon.

Mr. Teague did not at any time tell the Operators they could quit whenever they wanted to. This statement is in their letters, and is in error.

It is our recommendation that this contract be terminated by direction, without payment of the January voucher. We do not recommend attempting to recover money already paid on their November and December vouchers.

Wm A Beck

Wm. A. Beck, Acting
Executing Officer, DMEA-Reg.7

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

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

Room 13, Post Office Building
Knoxville 2, Tennessee

April 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 16 1953

Memorandum

To: L. G. Houk, Chief, Non-Metallic Minerals Division

From: Field Team - DMEA - Region 7 - Knoxville, Tennessee

Subject: DMEA-2524, Idm-E430 (mica) Buchanan & Buchanan (Joe Stevenson Mine)

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Wm. A. Beck, Acting
Executing Officer, DMEA-Reg.7

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

RAL/sm
cc:
Beelynch
Spr.-1 Files

36

LAW OFFICES OF
WARREN H. PRITCHARD
SPRUCE PINE, NORTH CAROLINA
TELEPHONE 272

April 11, 1953.

Mr. William A. Beck, Acting
Executive Officer, DMEA
Room 13, Post Office Bldg.
Knoxville 2, Tennessee

Re: DMEA-2524, Idm-E430(mica)
Joe Stevens Mine

Dear Mr. Beck:

Mr. Ira Buchanan and Mr. Otis Buchanan have turned over to me for reply your letter of April 1st addressed to Mr. Otis Buchanan, together with amendment 2 to the agreement which you requested them to sign.

Mr. Ira Buchanan tells me that Mr. Teague told them to go ahead and move their equipment out when they came to the conclusion that they should and they did so. Now it is their opinion that there are no prospects at all in this mine and they consider it useless to go ahead and spend more money on it when such is the case, and that is my reason for requesting that you please give further consideration to this further amendment. They state thay are willing to forget the balance of $405.00 owed to them if you will agree to close out this matter in full.

Therefore, in view of their conversation with Mr. Teague plus the fact that they now feel further expenditures would be a total waste of funds, I hope very much that you will not require them to proceed further with this matter.

Please, therefore, advise me at once regarding this matter.

Very truly yours,

Warren H. Pritchard

Warren H. Pritchard

WHP:pr

RECEIVED
APR 13 1953
U. S. BUREAU OF MINES
DEF. MIN. ADM.
Knoxville, Tenn.

① DME A. 2524
Idm. E 430

Hawk, North Carolina
March 24, 1953

RECEIVED
MAR 27 1953
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

Robert A. Laurence
Knoxville 2, Tenn.

Dear Sir;

In regard to your letter of March 17 I am going to worry you with a few details of the Stevenson mine. We learned of the gov't. mica buying program and started this mine six months before they ever started buying. I borrowed money to do this mining and went in debt for my groceries while I was engaged in it. The mine was poor from the start but we managed to trim 120 lbs. of very good mica. The gov't. buyers were so hard on the grade of mica at the beginning that it only brought a little over $900.00, which left me bad in a hole. We got this gov't. loan on a prospect across the branch. I saw within a months time that we had made a mistake in judgement on this place, but we went on down the depth the contract called for. We took this by the foot and I lost money on that. In the meantime

Mr. Teague was up there some two weeks before we quit and I told him how poor the mine looked and that we had been thinking of quitting it. I asked him if when I saw beyond a reasonable doubt that we weren't going to hit anything if he didn't think it wise to quit spending my time and the gov'ts money and he said yes. So I acted solely on his say so. I realize that this means nothing unless I had it in writing but I think Mr. Teague will recall this conversation if you care to call it to his mind. I am a poor man and sorely need the $405.00 which I figure the government owes me but would be willing to lose this if you all would terminate this contract as there is not a chance in a hundred of these headings hitting anything. I figure this would be a small loss compared to what I would lose if I undertake to pull these headings at $35 a foot. There is a shaft about 30 or 40 ft. from our shaft which didn't give any mica at all and is almost as deep as ours. I can't see what the point would be in running a heading towards

a shaft like that. we returned our machinery to the Whitehall Company and they have rented it out. It is going to be hard to find any thing for rent in this part of the country as there is a lot of mining going on. What, if anything, would the Government Contribute on new machinery? As you understand we went our contract limit in depth (in fact 2 ft. below) and in every test hole we hit slate. Your field team said "altough we can't see a piece of mica as big as your thumb nail we would like to see a little farther." They would rather see me and the Government lose money than to admit bad judgement, as I am willing to do. I am holding the admendent forms you wanted me to sign until I hear from you again.

Yours truly,
Otis Buchanan
Hawk N. C.

RECEIVED
APR - 8 1953
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

DMEA 2524
Idm E430

Hawk, North Carolina
April 6, 1953

Dear Sir;

Received your letter and the other papers about the extension on the Stevenson mine. I am not signing these papers, but am holding them until I get pay for completing the shaft. On March 27 you heard your field man admit that he told me to shut the mine down anytime that I saw I wasn't going to do any good. As you know I didn't tell you that I would do anything for certain. I told you that I would see if I could get reasonable machinery rent and labor or get some other mining man to take over the contract that I would do so. I wouldn't even consider trying anything unless you send pay for what I have already done. On closer study of this contract your fellows can hold me in default on a dozen different little things. Judging the future from the past I don't doubt but what you would. Frankly, I have lost confidence in you all. I might go ahead and move

machinery back up there which is a costly operation and be held in default again on my next vouchers. So unless you send me my check which amounts to $4.05 on your part I will not try to do anything and if you decide not to do so you can consider the matter closed as far as I am concerned.

Yours truly,
Attis L. Buckaroo

Hold for letter from
Lawrence with
copy of letter from
operator asking
for termination
Legal will then
prepare a suitable
termination notice
for inactivation in
the field

April 13, 1953
2:35 P. M.

Mr. Robert A. Laurence, Reg. VII, calling Mr. Houk.

Mr. Laurence: We are calling about DMEA-2524 - Buchanan and Buchanan. Mr. Beck, Mr. Teague and Mr. Shirley were over there and the operators dont want to continue the job, they dont think there is any use in going down any further.

Mr. Houk: Is that an old form contract?

Mr. Laurence: Yes, it is a short form contract. So much a foot for sinking as so forth. We agreed to write an amendment to let them go down 15 ft deeper. Now they write they will not do anything until we pay them. We have a letter from their lawyer and he says Teague told them they could pull off the equipment (Teague didn't tell them that at all) they consider it useless to go ahead. Where does that leave us.

Mr. Houk: The short form contract is a definite agreement to finish the job. Regardless of what the lawyer says we could force them to continue the work.

Mr. Laurence: They say this thing doesnt look good. We say it does.

Mr. Houk: I dont know whether to take a hard and fast stand or let them quit the work.

Mr. Laurence: They have already carried the shaft down the 30 ft prescribed in the contract, the last 15 ft are still held up.

Mr. Houk: Have they indicated they will sue?

Mr. Laurence: No they are willing to forget the Jan. voucher - they will call the whole thing off. The auditors will jump on us for paying the first 15 ft. and not the last 15 ft.

Mr. Houk: You dont want to take a definite stand, it is a question of judgment.

Mr. Laurence: There is a possibility of a mica shoot there. They are equally sure they wont hit anything. They probably found something better to do. They are probably making more money. I dont want to insist. How will we wind this up?

Mr. Houk: You are agreeable to letting them stop?

Mr. Laurence: Yes. I will be in favor of letting them stop.

Mr. Houk: We could terminate by mutual consent and pay them $405. or we could terminate by direction. How much is the contract?

Mr. Laurence: $1,200

Mr. Houk: I think we could terminate by direction.

Mr. Laurence: You will prepare it in Washington? Not pay the $405.

Mr. Houk: What is your decision. Mutual agreement and pay or by direction?

Mr. Laurence: By direction and not pay.

Mr. Houk: Let me talk this over with the lawyers here. See if they will draw up a termination by direction.

Mr. Laurence: They did sign a contract, and I hate to be bulldozed by signing a mutual agreement when it wasnt a mutual agreement. They failed to live up to the contract.

Mr. Houk: That is a policy matter Mitt will have to decide. Send me that letter and all the papers and we will carry the ball from here.

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

April 7, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1, Docket No. DMEA-2524 - Mica
Otis L. Buchanan and Ira Buchanan
Joe Stevenson Mine
Mitchell County, North Carolina

Purpose: To bring project to completion in nine months instead of five months.

Recommendation: The Nonmetallic Minerals Division recommends concurrence with this amendment which was executed March 10, 1953, in the field.

Note: Operators became discouraged on not encountering mica shoot and requested abandonment of contract. The field team have persuaded them to continue.

Stanley A. Feitler
Stanley A. Feitler
Nonmetallic Minerals Division

Posted 4-10-53

BB.

FILE COPY
SURNAME:

Feitler
Houk

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

April 7, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1, Docket No. DMFA-2524 - Mica
Otis L. Buchanan and Ira Buchanan
Joe Stevenson Mine
Mitchell County, North Carolina

Purpose: To bring project to completion in nine months instead of five months.

Recommendation: The Nonmetallic Minerals Division recommends concurrence with this amendment which was executed March 10, 1953, in the field.

Note: Operators became discouraged on not encountering mica shoot and requested abandonment of contract. The field team have persuaded them to continue.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 4/7/53

Copy to: Admr. R. File
Docket File
Mr. Houk

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

April 1, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Acting, Executive Officer - D M E A - Region 7

Subject: Amendment No. 1. DMEA-2524, Idm-E430. Buchanan & Buchanan (mica)

Transmitted herewith are three copies of the above subject amendment which has been signed by both the partners. One copy was retained by the Operator, one by this office, and one sent to the Finance Officer.

Wm. A. Beck

Wm. A. Beck

case 4/6

RECEIVED
APR 17 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

INTERIM REPORT

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 4 1953

DMEA-2524 Idm-E430 (mica) JOE STEVENSON MINE

OPERATOR: Otis L. Buchanan and Ira Buchanan, Hawk, N. C.

LOCATION: 6.1 miles by road, a little south of East Bakersville, Mitchell County, N. C. It is about 1.5 miles S 40° E of Hawk, N. C. and occurs along the north side of White Oak Ridge.

The shaft sinking, as set up in Exhibit "A" of the contract, has been completed and is now at 34 feet. Dimensions at the bottom shows the shaft to be 9' long and 8' wide. The inclined shaft was sunk in pegmatite material for the entire footage. This material consisted of quartz and feldspar with garnets, apatite and sericite scattered throughout. At about 26 feet from the surface a biotite schist roll cuts into the pegmatite from the footwall and a similar roll is reported in the bottom of the shaft. Mica recovered during shaft sinking has been both ruby and green colored in about equal percentages. The operators are of the opinion that the country rock is cutting out all vein material and since no "mica column" was picked up during shaft sinking, they prefer to discontinue the operation. It was suggested that they continue, carrying out the drifting as set up in the contract because to the N E of the shaft location and along the strike of the pegmatite, there are certainly good indications of mica bearing pegmatite at surface level. The operators still want to cease work and may sub-contract the drift work, if an agreeable party can be found.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague

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

Jim Carter
We have to move on completion

February 10, 1953

Omea 2524

February 2, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1953

Mr. Otis Buchanen, Mine Partner
Joe Stevenson Mine
Hawk, North Carolina

BW.

Dear Mr. Buchanen:

Attached is a Safety Inspection Report of your Joe Stevenson Mine made by Mr. Roy G. Stott, mining health and safety engineer, on January 14, 1953.

Very truly yours,

H. C. McCall, Chief,
Accident Prevention and Health
Division, Region VII

cc: R. A. Laurence, Room 13, Post Office Bldg., Knoxville 2, Tenn.
W. A. Beck (3) Room 13, Post Office Bldg., Knoxville 2, Tenn.
F. H. Shuford, State Department of Labor, Raleigh, N. C.
J. L. Fitzgerald, Box 7346, Asheville, N. C.
Director, Defense Minerals Exploration Administration, Washington, D. C.
S. H. Ash
J. Westfield
A. Gabriel
J. R. Thoenen, Bureau of Mines, Tuscaloosa, Alabama
Roy G. Stott
District Office

mcm

SAFETY INSPECTION REPORT
JOE STEVENSON MINE (MICA)
(NEAR) BAKERSVILLE, MITCHELL COUNTY, NORTH CAROLINA

January 14, 1953

By

Roy G. Stott
Mining Health and Safety Engineer

Originating Office - Bureau of Mines
210-12 Social Security Building
Birmingham 3, Alabama
M. C. McCall, Chief,
Accident Prevention and Health Division
Region VII

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SAFETY INSPECTION REPORT
JOE STEVENSON MINE (MICA)
(NEAR) BAKERSVILLE, MITCHELL COUNTY, NORTH CAROLINA

January 14, 1953

By

Roy G. Stott
Mining Health and Safety Engineer

INTRODUCTION

This report is based on an inspection made at the request of the Defense Minerals Exploration Administration to determine conditions and practices relating to health and safety and to propose recommendations for correcting hazards. The inspection party consisted of Roy G. Stott, mining health and safety engineer, Bureau of Mines, William A. Beck and Laurence E. Shirley, mining engineers, Defense Minerals Exploration Administration and Ottis and Ira Buchanen, mine partners.

GENERAL INFORMATION

The Joe Stevenson mine is operated by a partnership of Ottis L. Buchanen and Ira Buchanen of Hawk, North Carolina and doing business as Buchanen and Buchanen. A prospect loan has been granted by the D. M.E. A. under Docket No. 2524, Contract Idm E-430.

The mine is located 6.1 miles by road south of Bakersville, Mitchell County, North Carolina. It is about 1.5 airline miles S40°E of Hawk, North Carolina and along the north side of White Rock Ridge.

The present prospecting is being done about 150 feet southeasterly along a pegmatite vein from the old workings of the mine. These older workings are partially filled with water to an assumed depth of 5 to 10 feet. The vein strikes N55°E and dips through a series of rolls to the southeast. An exploratory shaft has been driven down the vein at about 60° inclination to a depth of 30 feet. The contract is for 34 feet of shaft and 60 feet of drifting at the bottom of the shaft. The proposed drifting will be lower in elevation than the old abandoned workings.

The shaft is quite irregular in cross-section and in dip. About 3 to 8 feet of overburden has been excavated from around the shaft opening and the 30-foot measurement is taken from the top of bedrock.

Three men work the mine and none wear hard hats.

Surface equipment consists of an Ingersoll-Rand Model K105 gasoline engine-powered portable air compressor, a housed small derrick-type hoist, and a stiff-leg jib-boom-type derrick for hoisting a sinking bucket and for swinging it to the dump. The dynamite and caps are stored separately in the abandoned workings.

SAFETY RECOMMENDATIONS

1. The shaft opening should be thoroughly barred to remove loose rock, and loose rock cleaned back for a distance of 5 feet around the opening.

2. An additional timber barricade should be placed on the uphill side of the shaft opening to prevent slides of soil and rock into the shaft.

3. The drill water tank should be pulled back from the west edge of the shaft. It is in danger of sliding into the shaft.

4. A hand railing should be erected on the walkway edge of the shaft opening.

5. The timber barricade set on rock ledge on the south side of the shaft should be raised another foot to prevent chunks from rolling into the shaft.

6. A hand-railing or rope should be installed between the surface and the shaft ladder.

7. A safe ladder should be obtained to replace the makeshift ladder now in use in the shaft. This ladder should extend at least 36 inches above the top landing.

8. Timber guides should be installed for the bucket to travel on.

9. The hoisting boom sheave should be aligned with the above mentioned bucket guides and the hoisting cable not allowed to rub against the rock bank.

10. At least 3 clips should be used on the 1/2-inch guy wire cables and installed 3 inches apart with the "U" on the dead or "loose" end of the cable.

11. Four clips and a drop-forged type thimble should be used on the bucket rope attachment. These clips should also be spaced 3 inches apart with the "U" on the dead side of the cable.

12. A hook with a safety clip should be installed on the bucket hoisting cable.

13. The derrick guy wire secured to the base of a small tree on the west side of the derrick mast should be secured around at least two such trees to be safe.

14. At least two 6-foot long scaling bars should be provided. The present one is only 4 feet long and in need of sharpening.

15. The dynamite should be stored in a locked box. The travel way through the old workings should have the loose roof barred down so as to be safe.

16. Detonator caps should be kept in a locked container.

17. The electric blasting wires should be kept twisted together or shunted at all times except when men are out of the mine and for the blast.

18. The blasting machine should be kept stored in a dry location.

19. Miners working underground should be required to wear hard hats. (State Law).

20. The compressor exhaust should be piped away from the compressor air intake.

ACKNOWLEDGMENT

The cooperation of Ottis and Ira Buchanen during the conduction of this inspection is gratefully acknowledged.

Respectfully submitted,

/s/ Roy G. Stott
Roy G.Stott
Mining Health and Safety Engineer

INTERIM REPORT

IMEA-2524 Idm-E430 (mica) JOE STEVENSON MINE

OPERATORS: Otis L. Buchanan and Ira Buchanan
Hawk, North Carolina.

LOCATION: 6.1 miles by road, a little south of East Bakersville, Mitchell County, North Carolina. It is about 1.5 miles S 40° E of Hawk, North Carolina and occurs along the north side of White Rock Ridge.

Inclined shaft is now at 12 feet. Material removed consists of feldspar, quartz, garnet and some larger pieces of muscovite mica. Bad weather has prevented full time work on this project. Project is moving slowly, but satisfactorily.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

December 16, 1952

FILE COPY
SURNAME:

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

SAFeitler
Houk
Atty
Fields

OCT 30 1952

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

Subject: Docket No. DMEA-2524 - Mica
Buchanan and Buchanan
Mitchell County, North Carolina
W. C. Burleson (Joe Stevenson) Mine

Dear Mr. Laurence:

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

If the contract meets with your approval, present it to the operator for his approval and signature. If any provisions are unsatisfactory to the operator, return all copies to this office along with suggested changes for consideration.

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Regional Finance Officer, and the remaining copies, including the original, are to be returned to this office as soon as possible.

Sincerely yours,

(signed) FRANK E. JOHNSON (GLB)

Chairman, Operating Committee

10-30-52

Approved:

J. H. Hedges (GLB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (GLB)

Member, Geological Survey

Enclosures 6

SAFeitler:gad 10/28/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

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

October 20, 1952

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Stanley A. Feitler, Nonmetallic Minerals Division SAF

Subject: Resume - Docket No. DMEA-2524 - Mica
W. C. Burleson (Joe Stevenson) Mine
Mitchell County, North Carolina

Conclusions: This mine yielded $22,000.00 worth of mica in 16 months during World War II. The pegmatite to be explored is from 10 to 15 feet wide and is exposed for 165 feet along its strike. Mica of strategic quality is found along the hanging wall.

Recommendation:
Approval of attached contract providing $3,800.00 to deepen an existing test pit to a total depth of 49 feet and drift 60 feet along the hanging wall of the pegmatite from the bottom of the shaft.

Application received 5/13/52
Proposes deepening two shafts at a cost of $4,100.00
USGS memo 5/26/52 - Refer to field.
USBM memo 6/19/52 - Refer to field.
Letter to applicant 6/27/52
Requesting sample, additional information, and suitable property description.
Received 7/28/52 - sample and Owner's Consent to Lien.
Referred to field 7/31/52
Received field report 8/21/52
Recommends $3,350.00 to deepen 15' test pit to 40' and drift 60' from the bottom.
USGS concur 8/27/52
USBM concur 9/3/52
Letter to applicant 10/6/52 - Requesting corrected Owner's Consent to Lien.
Received corrected Owner's Consent 10/16/52
Contract prepared 10/17/52
Contract to Legal Division 10/20/52

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

FILE CO
SURNAM

S Feitler
Houk

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

October 20, 1952

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Stanley A. Feitler, Nonmetallic Minerals Division

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W. C. Burleson (Joe Stevenson) Mine
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Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 10/20/52
Copy to: Adm. R. File
Docket File
Mr. Houk

FILE COPY
SURNAME:

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

OCT 6 1952

S. Feitler

Mr. Otis L. Buchanan
Buchanan & Buchanan
Hawk, North Carolina

Subject: Docket No. DMEA-2524 - Mica
W. C. Burleson
(Joe Stevenson) Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Reference is made to the subject application for exploration assistance at the W. C. Burleson (Joe Stevenson) Mine, Cane Creek Township, Mitchell County, North Carolina.

As the property description submitted for you by the Field Team is not in the lease, we have incorporated it in eight copies of the enclosed Owner's Consent to Lien. Please submit six of these copies signed by Arthur and Eleeta Stevenson to establish the lessor's approval of the new property description and avoid the necessity of executing a new lease. The two extra copies are intended for you and the lessor.

Sincerely yours,

S.H. 10-6-52

Signed

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 8

SAFeitler:gad 10/3/52

Copy to: Adm. R. File
Field Team, Region VII
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

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

S.A.F.

September 3, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Ecploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Mica, W. C. Burleson Mine, (Joe Stevenson Mine) Mitchell County, N. C.

I concur in the field team's recommendation for an exploration program in the amount of $3,350.

W. F. Dietrich

W. F. Dietrich

SD

IN REPLY REFER TO:

G-MD-CNM

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

SAP

Memorandum August 27, 1952

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA 2524 (Mica).

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

From: P. L. Weis, U. S. Geological Survey

Applicant: Otis L. and Ira Buchanan

Name of property: W. C. Burleson (Joe Stevenson) Mine

Location of property: Mitchell County, North Carolina

Date of field team report: August 19, 1952

Authorship of field team report: Peyton, A. L., and Teague, K. H.

Field team's recommendation: A loan of $3,350 be granted for the exploration described in the field team report.

Comments: None

Action suggested: Follow field team's recommendation.

Paul L. Weis

Paul L. Weis

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
AUG 27 1952

IN REPLY REFER TO:

G-MD-CNM

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

Memorandum August 27, 1952

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA 2524 (Mica).

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

From: P. L. Weis, U. S. Geological Survey

Applicant: Otis L. and Ira Buchanan

Name of property: W. C. Burleson (Joe Stevenson) Mine

Location of property: Mitchell County, North Carolina

Date of field team report: August 19, 1952

Authorship of field team report: Peyton, A. L., and Teague, K. H.

Field team's recommendation: A loan of $3,350 be granted for the exploration described in the field team report.

Comments: None

Action suggested: Follow field team's recommendation.

Paul L. Weis

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA
Norton's files
P. L. Weis
J. Horan

PLWeis:fw
G-8/27/52

3D

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

Room 13, Post Office Building
Knoxville, Tennessee

Jim Cutler

August 19, 1952

Memorandum

To: Operating Committee, DMEA-Washington

From: Field Team, Region 7

Subject: Field Examination Report on DMEA-2524,(mica)
Joe Stevenson Mine.

Transmitted herewith are 4 copies of the above subject report with 6 extra copies of the maps, and supporting documents.

The Field Team concurs in the recommendations on this project.

Wm. A. Beck

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

K. H. Teague

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

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
AUG 21 1952

IN REPLY REFER TO:
G-MD-JJN

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

May 26, 1952

Memorandum

REVIEW OF APPLICATION DMEA-2524 (Mica).

To: L. G. Houk, Non-Metallic Minerals Division, DMEA.
From: J. J. Norton, U. S. Geological Survey.
Applicant: Otis L. Buchanan and Ira Buchanan.
Name of property: Not known.
Location of property: Near Hawk, Mitchell County, North Carolina.
Estimated cost of project: $ 4,100.
Summary of applicant's proposal:
2 shafts and a drift.

Sources of information on applicant's property:
Probably none. I cannot be certain that no information is available because the applicant does not give the name by which this "mine" was known in World War II, and the description of the location is not satisfactory. We have made a rather complete search, however, and I have come to the conclusion that we probably have no report on this property, and even if we do, any further information the applicant supplies probably would be insufficient to help find it.

Comments:
1. Applicant says that the property is 1.5 miles east of Hawk and 5.5 miles northeast of Bakersville. This is a geometrical impossibility.
2. Applicant states that he is now cleaning out old workings. Pegmatite apparently is being exposed well enough for evaluation by field team.
3. Applicant has submitted samples of mica. I presume that these are of good enough quality to warrant further investigation.

RECOMMENDATION:
Refer to field team.

JJNorton:hhp
G-5/26/52
cc: Dir's Read. f., 4212
Division f., 4240
~~Branch f., 4208~~ DMEA
Branch Read. f., 4212
JJNorton, G-230, GSA Bldg., USGS
extra

J. J. Norton

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

June 19, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Buchanan & Buchanan, Hawk, N. C.

On the basis of the applicants description of past operations and present exposures, a field team investigation is recommended. General location within proximity of productive mines and sample evaluation warrant an investigation.

W. F. Dietrich

This is in answer to a letter requesting legal description and map of the property under lease.

DMEA 2524 - Miss
Buchanan
Hawk, N. C.

July 26, 1952

Dear Sirs;

In regard to the description of the Joe Stevenson Mine, your field men from Knoxville have already looked the mine over and said they would recommend a lease on it. They can give you a much better description of the mine than I can.

As to the area our lease covers we have all we need because in this section our mines go almost straight down.

Sincerely yours,

Signed

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows: 1/ Listed on North Carolina Dull. # 45 as the Joe Stevenson Mine and described and defined in a certain lease executed by Arthur Stevenson and wife Electa Stevenson to Ira and Ottis Buchanan, dated January 3rd, 1952, recorded in Book 11 at page 75 in the office of the Register of Deeds for Mitchell County

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

2/ Ira Buchanan and Ottis Buchanan

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

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

Dated this 25th day of July, 195 2.

Arthur Stevenson [Seal]

Electa Stevenson [Seal]

_____ [Seal]

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

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

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

MINING LEASE — Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, Mitchell COUNTY.

This indenture made this 3rd day of January 19 58, between Arthur Stevenson and wife, Electa Stevenson, of Mitchell County and State of North Carolina, as parties of the first part, and known as lessors, and Ira Buchanan and Otis Buchanan, of Mitchell County and State of North Carolina, of the second part and known as lessees:

WITNESSETH, That the part ies of the first part, in consideration of the agreements hereinafter contained, on the part of the part ies of the second part to be performed, hereby bargains, leases and grants to the part ies of the second part, and their heirs and assigns, for the period of THREE (3) Years from the date of this agreement, the following described real property, for mining purposes, in the County of Mitchell State of North Carolina, to wit:

Being the old Mica & Feldspar mines located on the property of the Parties of the First Part, at the head of the hollow and below the old Carson field. This being the mines formerely worked by Jesse Mc Minney & Sons and later by J.H. DeGroot, both under previous leases. That the working rights under this Lease shall include all the old works and shall run a distance of THREE HUNDRED (300) FEET along the vein each way from the small branch running down the hollow into the old works. That under the conditions of this Lease, all mica mined shall be worked up on the property of the Parties of the First Part.

To Have and to Hold the said lands to them, for mining purposes, the said Ira Buchanan and Otis Buchanan, and their heirs and assigns for the aforesaid period of THREE (3) YEARS upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly Mica & Feldspar and to conduct the same to any extent the said part ies of the second part may desire. And it is hereby agreed between the parties to this agreement that the part ies of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by part ies of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said part ies of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the part ies of the second part are to have right-of-way of ingress and egress to said mines. The said part ies of the second part hereby agree to pay to the said part ies of the first part, or their heirs, assigns, or rentals or royalty of ONE EIGHTH (1/8) on all mica, $ .50 per ton on Feldspar taken and sold from said mines for the use of the said lands for the aforesaid period of THREE (3) YEARS only; payable as follows: Upon sales of products mined

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value. At current market prices when sold

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within (30) Days from the date of this instrument, this lease may be terminated by the lessee at any time thereafter, on (10) days notice to the lessor. The lessee agree that during continuance of this lease work in said mines shall not cease longer than (30) days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

Witness:
R.P. Greene, C.S.C.

Arthur Stevenson (Seal)
Electa Stevenson (Seal)
Ira Buchanan (Seal)
Otis Buchanan (Seal)

NORTH CAROLINA, _____ COUNTY. _____ TOWNSHIP.

I, _____, do certify that _____

and _____

his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said _____

_____

being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

_____ This _____ day of _____, 19____

_____
Justice of the Peace.

NORTH CAROLINA, Mitchell COUNTY.

The execution of the foregoing instrument was this day acknowledged before me, by Arthur Stevenson and wife, Electa Stevenson & Ira Buchanan & Otis Buchanan, the grantor~~s~~ for the purposes therein expressed. Let the same, with this certificate, be registered. This 3 day of January, 19 52

R.P. Greene,
Clerk Superior Court

NORTH CAROLINA, _____ COUNTY.

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 19____.

_____
Clerk Superior Court.

Filed for Registration at 9 o'clock A M., Jan 3, 19 52, and registered in the office of Register of Deeds for Mitchell County, in Deed Book No. 11 page No. 75
Jan 3, 19 52

Brack Buchanan, Brack Buchanan
Register of Deeds.

MINING LEASE

FROM

TO

Lease Book ____ Page ____

FEES:

Probate . . . . . $ . . . . . .

Certificate and Seal, J. P. or N. P. . $ . . . . . .

Certificate and Seal, Clerk . . . $ . . . . . .

State Tax . . . . . $ . . . . . .

$ . . . . . .

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, ~~described as follows:1/~~ leased to Ira Buchanan and Otis L. Buchanan, in lease dated January 3, 1952, recorded in Deed Book 11, page 75, and more particularly described as follows:

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

2/

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof ~~which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment~~, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid ~~in the amount of the Government's contribution, not in excess of 4/$~~ or ten years have elapsed from the date of the contract.

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

Dated this _____ day of _____, 195 ___.

_____ [Seal]

_____ [Seal]

_____ [Seal]

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

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

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2524, W. C. BURLESON MINE (Mica)(Joe Stevenson Mine)
Otis L. and Ira Buchanan - Applicants
Hawk, Mitchell County, N. C.

DEC 1 1952

By

A. L. Peyton, Mining Engineer
U. S. Bureau of Mines

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

August 19, 1952

Report of Field Examination on
DMEA-2524, W. C. BURLESON MINE (Mica)(Joe Stevenson Mine)

Otis L. and Ira Buchanan - Applicants
Hawk, Mitchell County, N. C.

This old mine has been worked quite extensively southwest from a small branch. The requested exploration assistance is aimed at exploring the pegmatite northeast from the branch.

The Field Team recommends deepening a 15-foot incline shaft to a depth of 40 feet, driving 30-foot drifts from the bottom of the shaft in both directions along the pegmatite.

The Field Team examined this mine accompanied by Ira and Otis Buchanan on July 16, 1952. Three hours were spent in the examination.

The Burleson mine is located 6.1 miles by road a little south of East Bakersville, Mitchell County, North Carolina. It is about 1.5 miles S. 40° E. of Hawk and occurs along the north side of White Rock Ridge. The mine is easily accessible by truck at all seasons of the year.

Both of the applicants have mined mica at various times during their life, and appear to be competent.

No buildings or facilities are available on the property. However, for exploration, none are required as the applicants live only a short distance from the property.

This mine has been worked at various intervals since approximately 1900. During World War II, according to the applicants, Jesse McKinney operated the mine for 16 months, and sold $22,000 worth of mica to the Colonial Mica Corporation. In the old workings southwest of the small branch, the pegmatite is a rather large, tabular body that strikes about east-northeast and generally dips moderately southeast. It is from 10 to 15 feet thick and has been exposed along the strike for 165 feet. It pinches and swells along the strike and no rake or plunge can be observed. Minerals found in the pegmatite in the order of decreasing abundance are: plagioclase, microcline, quartz, muscovite, biotite, apatite, sericite, garnet, pyrite and hyalite. The pegmatite is fairly well zoned consisting of a border zone of fine-grained plagioclase-quartz on the hanging wall side followed by a coarse grained plagioclase-quartz zone with abundance of scrap mica and sheet mica (ruby colored). The main bulk of the pegmatite is in an intermediate zone consisting of plagioclase, micas, and quartz, of irregular but fairly coarse texture. The footwall zone is similar to the sheet and scrap mica zone near the hanging wall. However, in general the mica present in the footwall zone is green colored.

The applicants propose to explore an exposure located about 40 feet northeast of the small branch. At this place, an opening 10 to 15 feet in diameter and 15 feet deep has exposed a pegmatite at least 15 feet thick. It strikes N. 55° E. and dips to a variable depth at the southeast. The pegmatite is enclosed in a biotite schist which has been recrystallized by pegmatite action. The hanging wall contact between wall rock and pegmatite is very sharp. Minerals present in the pegmatite at this place appear to be identical with those present in the old workings to the southwest. Both green and ruby colored mica occurs in the exposure. The ruby mica is along the hanging wall contact, and the green at or near the footwall contact. The applicants report that when they sunk this 15 foot test pit, ruby colored mica which would trim 2 x 10 was obtained. The mica is very hard, flat, clear, and splits well. It would appear that the exposure contains sufficient mica of strategic grade to justify a loan.

It is recommended that the 15 foot test pit be deepened following the hanging wall contact down the dip to a depth of approximately 40 feet, and drifts 30 feet long be driven in each direction along the pegmatite from the bottom of the shaft. Estimated costs of project are as follows:

Sinking 25 feet of 5 x 7 incline shaft in the pegmatite @ $50/foot - - - - - - - - - - - - -	$1,250
Driving 60 feet of drift at $35/foot - - - -	2,100
Estimated total cost	$3,350

July 16, 1952

A. L. Peyton, USBM

K. H. Teague, USGS

DMEA-2524

A detailed ~~The~~ legal description of property held under lease to ~~by~~ Otis L. and Ira Buchanan from Arthur Stevenson and wife, Electra Stevenson, dated Jan. 3, 1952 and recorded Deed Book 11, pg. 195;

BEGINNING at a point where the small stream encounters the old mine dump (point shown on ~~the attached~~ map identified as), and running thence; due north for 300 feet to a stake; thence, due west 300 feet to a stake; thence, 600 feet due south to a stake; thence, 600 feet due east to a stake; thence, 600 feet due north to a stake; thence, 300 feet due west to a stake (point of closure).

identified as "Surface Map - W.C. Burleson Mine - DMEA 2524" attached ~~to~~ the contract between the United States of America and Otis L. and Ira Buchanan)

FILE COPY
SURNAME:

SAFeitler
Houk

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

JUL 31 1952

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

Subject: Docket No. DMEA-2524 - Mica
Joe Stevenson Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

This letter refers to the subject application for exploration assistance submitted by Otis L. and Ira Buchanan of Kawk, North Carolina.

Please arrange for a field examination to determine whether this mine is sufficiently promising to warrant Government participation in exploration. A suitable program should be submitted, if the results of the examination are favorable.

In addition to copies of memoranda from the Bureau of Mines and Geological Survey, we enclose a copy of the lease and Owner's Consent to Lien for your guidance. The property description in the lease is too vague, but a length of 300 feet each way from the small branch is mentioned. In the application, Item 1a is a reference to one acre. Although the lease does not mention one acre, an acre 600 feet long would be about 73 feet wide. The need for a definitive property description and sufficient area should be pointed out to the operator, if a contract is to be recommended. We have been unsuccessful in getting this idea across to the applicant by letter. A copy of his answer to our questions about the property is enclosed.

Sincerely yours,

(signed) FRANK E. JOHNSON (JHB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

A.N. 7-31-52

Approved:

J. H. Hedges
Bureau of Mines (JHB)

T. P. Thayer
Geological Survey (JHB)

Enclosures 5

SAFeitler:gad 7/30/52
Copy to: Admin. Reading File
Operating Committee (2)
Docket File
Mr. Norton, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

FILE COPY
SURNAME:

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

SAFeitler
Houk
Thayer
FEJohnson

JUL 31 1952

Mr. Otis L. Buchanan
Buchanan & Buchanan
Bank, North Carolina

Subject: Docket No. DMEA-3524 - Mica
Joe Stevenson Mine
Mitchell County, North Carolina

Dear Mr. Buchanan:

Your application is being referred to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further information.

Sincerely yours,

C. O. Mittendorf (for) J.N. 7.31.52

Acting Administrator
Defense Minerals Exploration
Administration

SAFeitler:gad 7/30/52

Copy to: Admin. Reading File
Operating Committee (2)
Field Team, Region VII (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Hawk, North Carolina
July 26, 1952

Dear Sir;

In regard to the description of the Jar Stone mine, your file to me from Knoxville have already looked the mine over. I did think they would prospect it any more. They got just what I made little description of the mine that I can.

As to the area our lease covers, we have also we need because in this section our mines go almost straight down.

Sincerely yours;

Geo. L. Gaston

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows: 1/ Listed on North Carolina Bull. # 45 as the Joe Stevenson Mine and described and defined in a certain lease executed by Arthur Stevenson and wife Elects Stevenson to Ira and Ottis Buchanan, ~~dated January 3rd, 1952, recorded in Book 11 at page 75 in the office~~ of the Register of Deeds for Mitchell County

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

2/ Ira Buchanan and Ottis Buchanan

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

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

Dated this 25th day of July, 1952.

Arthur Stevenson [Seal]

Electa Stevenson [Seal]

_____ [Seal]

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

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

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

4/ Insert the maximum amount of the Government's contribution.

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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MF-203

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

2/ Ira Buchanan and Ottis Buchanan

hereinafter called the "Operator"; and

WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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

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

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, or ten years have elapsed from the date of the contract.

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Dated this 25th day of July, 195 2.

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Electa Stevenson [Seal]

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

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WHEREAS, under certain provisions of said contract which are set forth on the reverse side hereof, the Government is entitled to a percentage royalty on production and to certain other rights and equities which do or may conflict with or be adverse to the interest of the undersigned in said property;

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CHS [illegible]
[illegible]

~~Brack Buchanan~~
~~Mitchell County Register of Deeds~~
~~Bakersville, North Carolina~~

United States Department of The Interior
Defense Materials
Mobilization Administration
Washington, D.C.

FILE COPY
SURNAME:

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

JUN 27 1952

Feitler

Mr. Otis L. Buchanan
Buchanan & Buchanan
Hawk, North Carolina

Subject: Docket No. DMEA-2524 - Mica
Mitchell County
North Carolina

Dear Mr. Buchanan:

This letter refers to the above application for exploration aid for a mica mine near Hawk, North Carolina.

Certain information is not clear nor complete enough to allow proper evaluation of this application.

The property under lease is not definitely described. Please supply the book, page, and county of record for the entire Stevenson Farm and also a clear description of the lease area. The lease mentions a length of 600 feet. If one acre is correct, this means that the leased ground is only 72.6 feet wide. You should submit a map showing the farm and the mine.

Joe Stevenson mine

By what name or names has the mine been known? Under what name were mica sales made? Was the mine worked during World War II?

The sample you mention enclosing with the application was not received. Please send in one-fourth pound of pieces about one-sixteenth of an inch thick. OK

As your lease is for only three years, an Owner's Consent to Lien will be necessary. We enclose eight copies of which six should be signed by Arthur and Electa Stevenson, and returned to this office. Do not fill in the amount of the contract as this will not be known unless and until a contract is drawn. OK

When you have complied with the above, we will be able to proceed with the processing of your application.

SAFeitler:gad 6/27/52

Copy to: Admin. Reading File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Docket File
Mr. Houk

Sincerely yours,

SIGNED 6/27

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration
Administration

Enclosures 8

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

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.

BUCHANAN, Otis L & Ira
Tradename: BUCHANAN & BUCHANAN
Hawk, North Carolina
(Name of company)

By Otis L. Buchanan
(Signature of authorized official)

May 15th, 1952
(Date)

Manager
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

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

SAF

June 19, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2524, Buchanan & Buchanan, Hawk, N. C.

On the basis of the applicants' description of past operations and present exposures, a field team investigation is recommended. General location within proximity of productive mines and sample evaluation warrant an investigation.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 20 1952

IN REPLY REFER TO:

G-MD-JJN

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

May 26, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 28 1952

Memorandum

REVIEW OF APPLICATION DMEA-2524 (Mica).

To: L. G. Houk, Non-Metallic Minerals Division, DMEA.
From: J. J. Norton, U. S. Geological Survey.
Applicant: Otis L. Buchanan and Ira Buchanan.
Name of property: Not known.
Location of property: Near Hawk, Mitchell County, North Carolina.
Estimated cost of project: $ 4,100.
Summary of applicant's proposal:
2 shafts and a drift.

Sources of information on applicant's property:
Probably none. I cannot be certain that no information is available because the applicant does not give the name by which this "mine" was known in World War II, and the description of the location is not satisfactory. We have made a rather complete search, however, and I have come to the conclusion that we probably have no report on this property, and even if we do, any further information the applicant supplies probably would be insufficient to help find it.

Comments:
1. Applicant says that the property is 1.5 miles east of Hawk and 5.5 miles northeast of Bakersville. This is a geometrical impossibility.
2. Applicant states that he is now cleaning out old workings. Pegmatite apparently is being exposed well enough for evaluation by field team.
3. Applicant has submitted samples of mica. I presume that these are of good enough quality to warrant further investigation.

RECOMMENDATION:
Refer to field team.

J J Norton
J. J. Norton

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 28 1952

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2524
Metal or Mineral
Date Received 5-13-52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 1952

Otis L. (and) Ira Buchanan, (Partnership)
(Tradename of-
BUCHANAN & BUCHANAN
Hawk, North Carolina.

Name and address of applicant

Date May 15th, 1952

If you have already filed MF-100, give date filed NONE, type of assistance requested NONE,

DMA Docket Number (if available) NONE

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

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

   NOTE: (1) 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 (*c*) 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.

   (2) If applicant is not the owner of the property or if there are any liens or encumbrances against the property, copy of agreements of claimants, lienors, encumbrances, and lessors subordinating their interests in the property to the interest of the Government under the Exploration Project Contract will be required for attachment to the Contract.

2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

ANSWER EACH QUESTION ON SEPARATE SHEETS OF PAPER AND SUBMIT A COPY OF EACH ANSWER FOR EACH COPY OF YOUR APPLICATION.

3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

9. Furnish a detailed list with estimated cost of each item for materials, supplies, engineering, assaying, accounting, power, water, utilities, and any other items not provided for above.

10. (*a*) How much are you prepared to invest in the proposed project?

    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

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.

BUCHANAN, Otis L & Ira
Tradename: BUCHANAN & BUCHANAN
Hawk, North Carolina
(Name of company)

By Otis L. Buchanan
(Signature of authorized official)

May 15th, 1952
(Date)

Manager
(Title)

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U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

ANSWERS TO QUESTIONS
FORM MF- 103

Re: Application for loan-- DMA.
Exploration Project. (Mica)

BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.

1. (a) As Lessees of a certain tract or parcel of land comprising roughly about one (1) acre of land with full and registered rights of mineral mining, right of ways, water, mining timbers and use of necessary out buildings for manufacturing or fabricating of mined mica products.

600'x600' ≈ 8¼ acres

The one (1) acre tract under lease being a part of a 46 acre tract of land owned by Arthur Stevenson and wife, Electa Stevenson, of Hawk, Cane Creek Township, Mitchell County, State of North Carolina. The land is situated approximately 1-½ miles East of the Hawk, N.C. postoffice on the South bank of the waters of the Burleson prong of Cane Creek also being about 5-½ miles Northeast of Bakersville, N.C. the County seat of Mitchell County. A more complete and legal description of this land can be furnished upon request if deemed necessary.

Upon the above described (1) acre under lease, there is a definite and partially developed prospect for the highest grade of strategic mica (ruby). This prospect while having been previously worked to a small extent by some several parties has at all times produced mica of the highest grade. At no point in the present works has the vein been penetrated to a depth of over (40) feet most of the work previously done having been scattered over the vein in various places and reaching a depth of from 8 to 12 feet, (see sketch attached).

1. (b) See four (4) copies of Registered Lease attached hereto.

1. (c) Being the old Mica & Feldspar mines located on the property of Arthur Stevenson and wife, Electa Stevenson of Hawk, Cane Creek Township, Mitchell County, State of North Carolina, below the old Carson field at the head of the hollow. This being the mine formerly worked by Jesse McKinney and sons, and later by J.H. DeGroat, both under previous leases. That the working rights under this lease shall enclude all the old works and shall run a distance of THREE HUNDRED (300) Feet along the vein each way from the small branch running down the hollow into the old works. That the period of this lease shall be for THREE (3) years from date of the lease.

ANSWERS TO QUESTIONS
FORM MF- 103

Re: Application for Loan--DMA
Exploration Project- (Mica)

BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.

2. (a) A deposit of strategic red ruby mica of commercial value and quanity. The quality,(best grade) has been established and a large quanity already marketed heretofore during world war 2 and prior thereto.

2. (b) As set forth in article 1. (a) paragraph # 3, the vein containing a high grade of stragetic red rum mica has been definitely established on the tract of land under lease of the applicants.

There has been some work (mining) done on this vein at different times by different parties for a period of some several years but at no time has there been an effort made to fully develope the prospect. Most mining prior to World War 11 was done by the hand mining method and at a time when the sale of mica was slow at its best except prehaps for large size pattern mica of a size of 3" X 5" and better. During a period of two years during the 2nd World War, this prospect was leased by a Mr. Jesse McKinney and his two sons under a lease of two years. During his period of lease, Mr. McKinney with the use of modern mining machinery and equipment penetrated the vein at one point to a depth of 40 feet on an incline of about 45 degrees holding with the hanging wall or upper slate binder all the way. The portion of the vein so penetrated was some 12 or 14 feet in width. This is the deepest point ever reached in the vein the rest of Mr. McKinney's work being scattered over the vein along a distance of some 50 to 75 feet with a dverage depth of about 10 feet hardly penetrating through the feldspar capping or binder covering the mica vein.

The main vein containing the stragetic red ruby mica shows to be approximately 10 feet wide between the two permanent binding slates at the extreeme 40 foot depth reached by Mr. McKinney during his lease of the property. The vein itsself is permantly estabilished over a Northeast by Southwest course for several miles and is the same vein or lead on which the famous "Pizzle Mines" near Clarrissa, N.C. is located.

For futher study of past to present working of prospect see rough sketch attached hereto.

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan-- DMA
Exploration Project-(Mica)

BUCHANAN, Otis L. (Partnership)
" Ira
Hawk, North Carolina.

3. (a) To make a more fuller exploration of the now established vein of stragetic red rum mica by the use of modern mining machinery & equipment. The proposed plan calls for a deeper penetration of the mica vein in the "old works" as well as opening up a new operation by shafting down in the vein some 30 feet Northwast of the old works and probably connecting up both operations by a tunnel through the vein. Some work has been done on the proposed new shaft to a depth of about 10 feet in an opening some 10 feet wide. This work in this shaft so far has produced some fine grade mica but no large quanity of it due to the small amount of work done to date as a mere prospect undertaking on the part of the applicants but the work so far done would seem to justify the futher continuation of the shaft to a greater depth and then a possible connection with the old works via a tunnel drove through the vein some 30 to 40 feet in length.

3. (b) Due to the fact that the applicants have had the property under lease now for some 90 days or more and during this time they have done some work cleaning out and shaping up the old works and also worked a few days in the new shaft, it will be quite possible to start mining operations in both the old works and the new shaft immeadiately upon approval of the loan solicited for this operation.

Based upon some twenty odd years mining experienced on the part of the applicants, it is to the best of their judgment that a meet thorough test can be made of the old works and the new shaft within a period of some 90 working days of 8 hours per day using a crew of 7 men encluding a mining supervisor and with the use of modern mining equipment and machinery.

Note:
In re to section 3. (a) above. All mica taken from exploration in the new shaft(shown on sketch attached) being in Area "A" Northeast of the small branch, has proven to be of a higher texture, thicker blocks and of better stain or color than any mica heretofore taken from any section of the "old works".

(see mica samples enclosed)

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

5. (1) A small building of wooden structure, about 12' X 12' in size erected and now used as blacksmith shop and storage place for mining equipment not in use. (can use as is).

(2) A blacksmith furnance or blower base located in the above mentioned building. Air for the base is furnished via cutin off line to the drill from main air compressor. (can use as is).

(3) A powder magazine or storage place for explosives erected of stone and located in side of base of hill some 100 yards distance from nearest point of mining operation. Has heavy battened wooden door that can be secured by lock. (can use as is).

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

Section # 6.

NOT APPLICABLE TO PROJECT

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

Section 7. (a) (RENTAL EQUIPMENT)

(1) # 105 Ingersol-Rand Air Compressor with air hose & connections & all necessary accesories----------$ 50.00 per month

(1) # CP-10 Jackhammer & (2) runs of 8' drill steels for detachable bits----------$ 10.00 per month

(1) Single drum gasoline hoist--1 ton capacity with wire rope and all attachments----------$ 30.00 per month

(1) Gasoline water pump with 2" discharge----------$ 10.00 per month

(1) Jack leg for drill----------$ 10.00 per month

7.(b)(5) Detachable Tungsten Drill Bits @-14.00 ea.--------$ 70.00 per month

7.(c)--All small hand tools such as picks, shovels, bars rock hammers ects. now owned by applicants.

(a)-- Total Rental on equipment listed above for 30 day period------$ 100.00 per month

(b) -- Total Purchase of equipment as listed for 30 day period-----$ 70.00 " "

Total expenditure for equipment 30 day period----------$ 170.00 " "

(c) All equipment furnished and now on hand. (Small Tools)

ANSWERS TO QUESTIONS
FORM MF- 103

Re: Application for Loan --DMA
Exploration Project--(Mica)

BUCHANAN, Otis L. (Partnership)
" , Ira
Hewk, North Carolina.

Section # 8. LABOR SCHEDULE & RATE.

(1) Mine Supervisor	@ $ 1.25	per	hr.	--40	hrs	per	week	$ 50.00
(1) Drill Runner	@ $ 1.10	"	"	--40	"	"	"	$ 44.00
(1) Hoist Operator	@ $ .90	"	"	--40	"	"	"	$ 36.00
(4) Muckers	@ $ .80	"	"	--40	"	"	"	$128.00

Total Estimated Wages for week of 40 hrs. $258.00

Total Estimated Wages for Exploration ,(12) week period ~~XXXXXXXXX~~----------$ 3,096.00

NOTE:

The above estimate on overall labor expenses attached to proposed exploration project is based on (12) weeks of (5) days or (40) hours per week per employee or a total of (480) working hours per employee for the period of the project required for a reasonable thorough test of the mica prospect

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

Section 9. ESTIMATE COST OF MATERIALS.
(Monthly Basis)

ENGINE FUEL & LUBRICATIONS.

(2) 60 gal. bls. Gasoline @ $ 14.96 per bl.----------$ 30.00

(1) Case (24 qts) motor oil @ $ .25 per qt.----------$ 6.00

Total Cost of all fuels & oil per month-------- $ 36.00

EXPLOSIVES FOR BLASTING.

(8) 50 lb. cases 40% geletin Dynamite @ $ 11.57 per case-----$ 92.56

(4) Boxes (200) 6 ft. Electric Blasting Caps @ $ 6.60 per Bx.$ 26.40

Total cost of all Explosives & caps---------- $ 118.96

Total Estimated cost of all materials as listed above
for period of ~~XXXXXXXXXXXXXXXX~~-month.---------- $ 154.96

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(mica)

BUCHANAN, Otis L. (Partnership)
" , Ira

Hawk, North Carolina.

Section 10. (a) The applicants are in a position to advance the sum of $ 410.00 or 10% of the total estimated cost of the proposed exploration project as set out in section 7, of Chapter XII of National Defense Appendix, Title 32A,(DMEA Order-1)

10. (b) Yes. According to our information this is the minimum amount (10%) that will be reconized for contract purposes under laws governing this special act. Any amount found necessary over and above the estimate of all overall expenses as submitted by applicants for a contract will be borne by the applicants themselves.

GENERAL SUMMARY OF PROPOSED EXPLORATION OF STRAGETIC MICA PROJECT

Re: Application for Loan---DMA

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

FINANCIAL STATUS.

(1)	TOTAL ESTIMATED COST OF PROJECT.	$ 4,100.00
(2)	TOTAL AMT GOVT LOAN SOLICITED.	3,690.00
(3)	AMT TO BE CONTRIBUTED BY APPLICANTS (10%)	410.00
	.ESTIM ATED TOTAL EXPENDITURES	$ 4,100.00

RECAP OF EXPENDITURES.

(1)	LABOR, (1) SUPERVISOR-(6) WORKMEN	$ 3,096.00
(2)	MACHINERY RENTAL & DRILL BITS PURCHASE	510.00
(3)	EXPLOSIVES FOR BLASTING.	356.88
(4)	ENGINE FUEL & LUBRICATION OILS	108.00
	TOTAL COST OF ALL ESTIMATED EXPENDITURES	$ 4,070.88
	RESERVED FOR INCIDENTAL EXPENSES	29.12
	TOTAL EXPENSES TO BE ACCOUNTED FOR	$ 4,100.00

SCHEDULE OF EXPLORATION.

(1) CAN BE STARTED IMMEADIATELY UPON APPROVAL OF LOAN.

(2) ESTIMATED TIME FOR THOROUGH TEST: (60) WORKING DAYS OF (8) HOURS PER DAY PER EMPLOYEE OR 480 WORKING HOURS PER EMPLOYEE DURING THE (12) WEEK TEST PERIOD OF THE PROJECT.

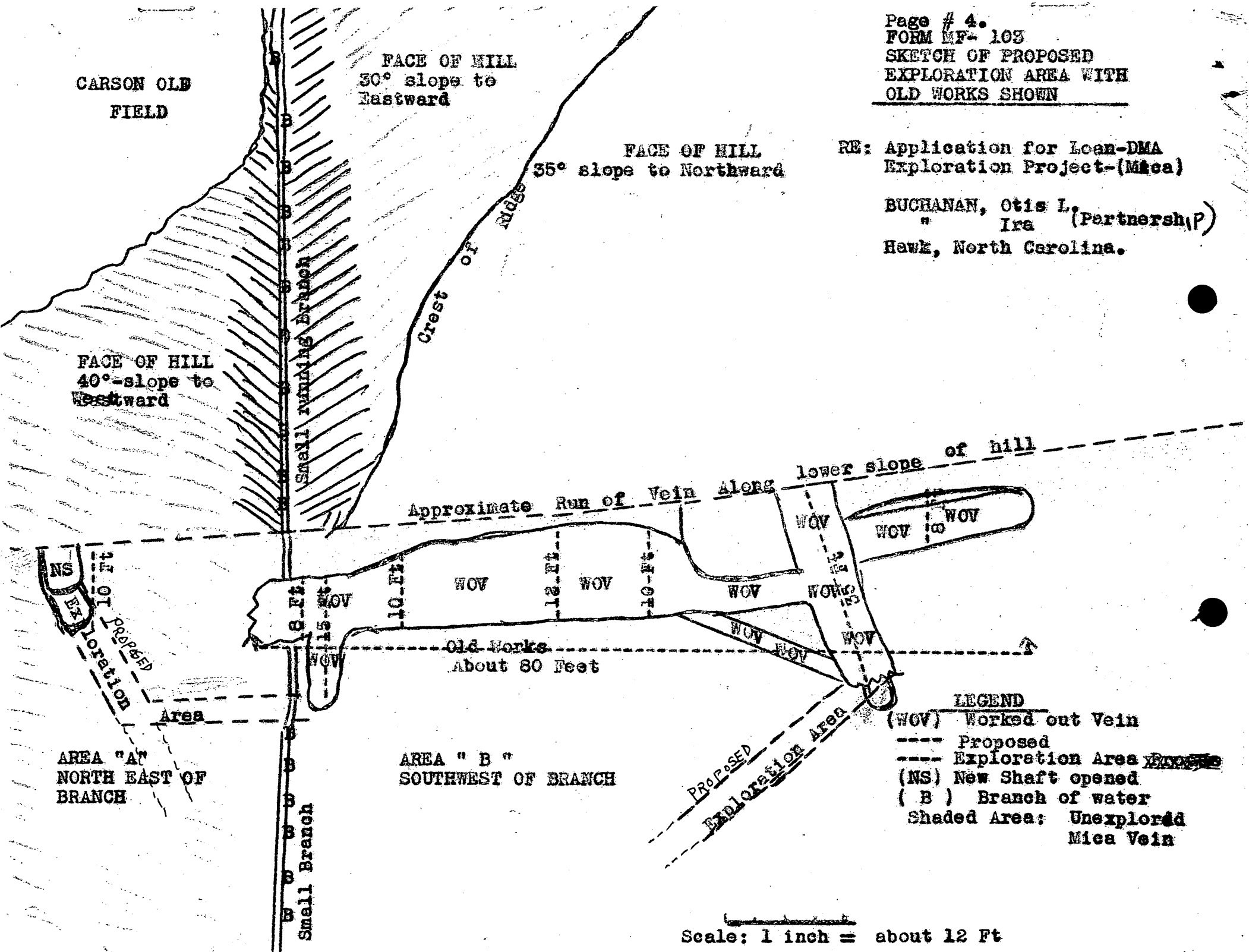
NATURE OF EXPLORATION.

(1) TO PENETRATE DEEPER (ESTIMATE OF 30 FEET) IN TWO PRESENT SHAFTS NOW OPEN IN (1) AREA NORTHEAST OF BRANCH and, (2) IN THE 35 FOOT SHAFT IN OLD WORKS SOUTHWEST OF THE BRANCH. (see sketch)

Page # 4.
FORM MF- 103
SKETCH OF PROPOSED
EXPLORATION AREA WITH
OLD WORKS SHOWN

RE: Application for Loan-DMA
Exploration Project-(Mica)

BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.



EXPLORATION

Subject: DMEA-2524
Re: Exploration Loan
Mica and Feldspar Mines
May 14, 1952

Mr. Otis L. Buchanan
Buchanan & Buchanan
Hawk, North Carolina

My dear Mr. Buchanan:

This will acknowledge receipt of your application dated May 15, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2524 and referred to the Non-Metallics Division.

Kindly refer to DMEA-2524 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Administrative Officer

7862

DMEA-2524

Hawk, North Carolina.
May 15th, 1952

Director in Charge.
Defense Mineral Exploration Admn.
Washington 25, D.C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 13 1952

Dear Sir:

I enclose herewith exploration application forms (DMEA) MF-103 in quadruplet in accordance to instructions as set out in DMEA Order-1 received recently from your Regional office at Knoxville, Tennessee.

These applications are respectfully submitted in quest of a goverment loan of $ 3,690.00 for expenditure in making a exploration of a certain stragetic mica prospect located in this county.

Will greatly appreciate your earliest possible consideration of our application submitted herewith.

Should you discover any errors or the lack of any necessary information in the application submitted, then I will greatly appreciate it if you will call it to my attention at once in order that the application may be re-submitted in due form.

Thanking you very much, I am

Respectfully yours,
Otis L. Buchanan
Otis L. Buchanan, Mgr.

For: BUCHANAN & BUCHANAN,
Hawk, North Carolina.

enc: Application
in quadruplet.

Form MF-103
(Revised June 1951)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.1.

MF-103 Should Be Filed With General Technical Data Form MF-100

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

Not To Be Filled in by Applicant

Docket No. DMEA-2524
Metal or Mineral
Date Received 5-13-52
Amount $
Participation (Government %)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 1952

Name and address of applicant

Otis L. (and) Ira Buchanan, (Partnership)
Tradename of-
BUCHANAN & BUCHANAN
Hawk, North Carolina.

Date May 15th, 1952

If you have already filed MF-100, give date filed NONE, type of assistance requested NONE,

DMA Docket Number (if available) NONE

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four copies each, of the signed application form, General Technical Data Form MF-100, and answers to questions as specified, to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive office thereof, with your name and address on each sheet of the application and all accompanying papers. If you have previously filed MF-100, it is not necessary to file it again. However, you should indicate in space provided above the type of assistance previously applied for (loans, procurement contracts, etc.) and DMA Docket Number, if available. *When a question is inapplicable it should be so stated in the form.* Additional sheets should be attached in answering any questions or in supplying additional information. IF YOU CANNOT ANSWER A QUESTION, SO STATE.

1. (*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.

   (*b*) If you are not the owner of the property, submit a copy of the lease, purchase option, or other agreements under which you are authorized to operate the property with each copy of your application.

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

   NOTE: (1) 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 (*c*) 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.

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2. (*a*) What metals or minerals do you expect to find?

   (*b*) Furnish statement of the geologic features of your property, giving type of ore deposit and reasons for expecting to find commercial ore bodies. Illustrate with maps or sketches. If you have a geologic or engineering report, or assay maps showing width and grade, please send them with application, stating whether or not you wish to have them returned.

The information requested in questions 3, 4, 5, 6, 7, 8, and 9 below should be answered specifically and in detail, as this information will be attached to and incorporated as part of the Exploration Project Contract, if such contract is entered into with you by the Government.

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3. (*a*) Describe fully the proposed work and give the total cost of the project.

   (*b*) State the time required to start the project and to complete it.

4. Submit a map or sketch of the property involved showing a plan (and cross section, if needed) of the present mine workings and the *location of the proposed exploration work* as related to geologic features, such as contacts, veins, ore-bearing beds, etc.

5. Furnish an itemized list of existing facilities, buildings, installations, and fixtures with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition.

6. Furnish a detailed list of additional facilities, buildings, and fixtures to be purchased, installed, or erected by you, with the estimated cost of each item.

7. Furnish a detailed list of operating equipment, separated into items to be—

   (*a*) Rented

   (*b*) Purchased

   (*c*) Furnished by you

   with the rental, purchase price, or depreciation of each item, as the case may be, to be charged as a cost of the project.

8. Furnish an itemized schedule of labor, by numbers and classes (miners, muckers, etc.) and of supervisors by numbers and positions, with the maximum wages or salaries to be paid to each.

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    (*b*) Is this amount sufficient to pay your part of the cost of the project, in accordance with the regulations on Government participation (Sec. 9 of MO–5)?

11. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

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.

BUCHANAN, Otis L. & Ira
Tradename: BUCHANAN & BUCHANAN
Hawk, North Carolina.
(Name of company)

By Otis L. Buchanan
(Signature of authorized official)

May 15th, 1952
(Date)

Manager
(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.

U. S. GOVERNMENT PRINTING OFFICE 16—64067-2

ANSWERS TO QUESTIONS
FORM MF- 103

Re: Application for loan-- DMA.
Exploration Project. (Mica)

BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.

1. (a) As Lessees of a certain tract or parcel of land comprising roughly about one (1) acre of land with full and registered rights of mineral mining, right of ways, water, mining timbers and use of necessary out buildings for manufacturing or fabricating of mined mica products.

The one (1) acre tract under lease being a part of a 46 acre tract of land owned by Arthur Stevenson and wife, Electa Stevenson, of Hawk, Cane Creek Township, Mitchell County, State of North Carolina. The land is situated approximately 1-½ miles East of the Hawk, N.C. postoffice on the South bank of the waters of the Burleson prong of Cane Creek also being about 5-½ miles Northeast of Bakersville, N.C. the County seat of Mitchell County. A more complete and legal description of this land can be furnished upon request if deemed necessary.

Upon the above described (1) acre under lease, there is a definite and partially developed prospect for the highest grade of strategic mica (ruby). This prospect while having been previously worked to a small extent by some several parties has at all times produced mica of the highest grade. At no point in the present works has the vein been penetrated to a depth of over (40) feet most of the work previously done having been scattered over the vein in various places and reaching a depth of from 8 to 12 feet, (see sketch attached).

1. (b) See four (4) copies of Registered Lease attached hereto.

1. (c) Being the old Mica & Feldspar mines located on the property of Arthur Stevenson and wife, Electa Stevenson of Hawk, Cane Creek Township, Mitchell County, State of North Carolina, below the old Carson field at the head of the hollow. This being the mine formerly worked by Jesse McKinney and sons, and later by J.H. DeGroat, both under previous leases. That the working rights under this lease shall enclude all the old works and shall run a distance of THREE HUNDRED (300) Feet along the vein each way from the small branch running down the hollow into the old works. That the period of this lease shall be for THREE (3) years from date of the lease.

ANSWERS TO QUESTIONS
FORM MF- 103

Re: Application for Loan--DMA
Exploration Project- (Mica)

BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.

2. (a) A deposit of strategic red ruby mica of commercial value and quanity. The quality,(best grade) has been established and a large quanity already marketed heretofore during world war 2 and prior thereto.

2. (b) As set forth in article 1. (a) paragraph # 3, the vein containing a high grade of stragetic red rum mica has been definitely established on the tract of land under lease of the applicants.

There has been some work (mining) done on this vein at different times by different parties for a period of some several years but at no time has there been an effort made to fully develope the prospect. Most mining prior to World War 11 was done by the hand mining method and at a time when the sale of mica was slow at its best except prehaps for large size pattern mica of a size of 3" X 5" and better. During a period of two years during the 2nd World War, this prospect was leased by a Mr. Jesse McKinney and his two sons under a lease of two years. During his period of lease, Mr. McKinney with the use of modern mining machinery and equipment penetrated the vein at one point to a depth of 40 feet on an incline of about 45 degrees holding with the hanging wall or upper slate binder all the way. The portion of the vein so penetrated was some 12 or 14 feet in width. This is the deepest point ever reached in the vein the rest of Mr. McKinney's work being scattered over the vein along a distance of some 50 to 75 feet with a average depth of about 10 feet hardly penetrating through the feldspar capping or binder covering the mica vein.

The main vein containing the stragetic red ruby mica shows to be approximately 10 feet wide between the two permanent binding slates at the extreeme 40 foot depth reached by Mr. McKinney during his lease of the property. The vein itsself is permantly estabilished over a Northeast by Southwest course for several miles and is the same vein or lead on which the famous "Pizzle Mines" near Clarrissa, N.C. is located.

For futher study of past to present working of prospect see rough sketch attached hereto.

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan-- DMA
Exploration Project-(Mica)

BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.

3. (a) To make a more fuller exploration of the now established vein of stragetic red rum mica by the use of modern mining machinery & equipment. The proposed plan calls for a deeper penetration of the mica vein in the "old works" as well as opening up a new operation by shafting down in the vein some 30 feet Northwast east of the old works and probably connecting up both operations by a tunnel through the vein. Some work has been done on the proposed new shaft to a depth of about 10 feet in an opening some 10 feet wide. This work in this shaft so far has produced some fine grade mica but no large quanity of it due to the small amount of work done to date as a mere prospect undertaking on the part of the applicants but the work so far done would seem to justify the futher continuation of the shaft to a greater depth and then a possible connection with the old works via a tunnel drove through the vein some 30 to 40 feet in length.

3. (b) Due to the fact that the applicants have had the property under lease now for some 90 days or more and during this time they have done some work cleaning out and shaping up the old works and also worked a few days in the new shaft, it will be quite possible to start mining operations in both the old works and the new shaft immeadiately upon approval of the loan solicited for this operation.

Based upon some twenty odd years mining experienced on the part of the applicants, it is to the best of their judgment that a most thorough test can be made of the old works and the new shaft within a period of some 90 working days of 8 hours per day using a crew of 7 men encluding a mining supervisor and with the use of modern mining equipment and machinery.

Note:
In re to section 3. (a) above. All mica taken from exploration in the new shaft(shown on sketch attached) being in Area "A" Northeast of the small branch, has proven to be of a higher texture, thicker blocks and of better stain or color than any mica heretofore taken from any section of the "old works".

(see mica samples enclosed)

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

5. (1) A small building of wooden structure, about 12' X 12' in size erected and now used as blacksmith shop and storage place for mining equipment not in use. (can use as is).

(2) A blacksmith furnance or blower base located in the above mentioned building. Air for the base is furnished via cutin off line to the drill from main air compressor. (can use as is).

(3) A powder magazine or storage place for explosives erected of stone and located in side of base of hill some 100 yards distance from nearest point of mining operation. Has heavy battened wooden door that can be secured by lock. (can use as is).

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

Section # 6.

NOT APPLICABLE TO PROJECT

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

Section 7. (a) (RENTAL EQUIPMENT)

(1) # 105 Ingersol-Rand Air Compressor with air hose & connections & all necessary accesories----------$ 50.00 per month

(1) # CP-10 Jackhammer & (2) runs of 8' drill steels for Detachable bits----------$ 10.00 per month

(1) Single drum gasoline hoist--1 ton capacity with wire rope and all attachments----------$ 20.00 per month

(1) Gasoline water pump with 2" discharge----------$ 10.00 per month

(1) Jack leg for drill----------$ 10.00 per month

7.(b)(5) Detachable Tungsten Drill Bits @-14.00 ea.-------$ 70.00 per month

7.(c)--All small hand tools such as picks, shovels, bars rock hammers ects. now owned by applicants.

(a)-- Total Rental on equipment listed above for 30 day period------$ 100.00 per month

(b) -- Total Purchase of equipment as listed for 30 day period-----$ 70.00 " "

Total expemditure for equipment 30 day period----------$ 170.00 " "

(c) All equipment furnished and now on hand. (Small tools)

ANSWERS TO QUESTIONS
FORM MF- 103

Re: Application for Loan --DMA
Exploration Project--(Mica)

BUCHANAN, Otis L. (Partnership)
" , Ira
Hawk, North Carolina.

Section # 8. LABOR SCHEDULE & RATE.

(1) Mine Supervisor	@ $ 1.25	per	hr.--40	hrs	per	week			$ 50.00
(1) Drill Runner	@ $ 1.10	"	"	--40	"	"	"		$ 44.00
(1) Hoist Operator	@ $ .90	"	"	--40	"	"	"		$ 36.00
(4) Muckers	@ $ .80	"	"	--40	"	"	"		$128.00

Total Estimated Wages for week of 40 hrs.$258.00

Total Estimated Wages for Exploration ,(12) week period ----------$ 3,096.00

NOTE:

The above estimate on overall labor expenses attached to proposed exploration project is based on (12) weeks of (5) days or (40) hours per week per employee or a total of (480) working hours per employee for the period of the project required for a reasonable thorough test of the mica prospect

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(Mica)

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

Section 9. ESTIMATE COST OF MATERIALS.
(Monthly Basis)

ENGINE FUEL & LUBRICATIONS.

(2) 60 gal. bls. Gasoline @ $ 14.96 per bl.----------$ 30.00

(1) Case (24 qts) motor oil @ $ .25 per qt.----------$ 6.00

Total Cost of all fuels & oil per month-------- $ 36.00

EXPLOSIVES FOR BLASTING.

(8) 50 lb. cases 40% geletin Dynamite @ $ 11.57 per case-----$ 92.56

(4) Boxes (200) 6 ft. Electric Blasting Caps @ $ 6.60 per Bx.$ 26.40

Total cost of all Explosives & caps---------- $ 118.96

Total Estimated cost of all materials as listed above
for period of ~~XXXXXXXXXXXXXXXXXXXX~~-month.---------- $ 154.96

ANSWERS TO QUESTIONS
FORM MF-103

Re: Application for Loan--DMA
Exploration Project--(mica)

BUCHANAN, Otis L.
" , Ira (Partnership)

Hawk, North Carolina.

Section 10. (a) The applicants are in a position to advance the sum of $ 410.00 or 10% of the total estimated cost of the proposed exploration project as set out in section 7, of Chapter XII of National Defense Appendix, Title 32A,(DMEA Order-1)

10. (b) Yes. According to our information this is the minimum amount (10%) that will be reconized for contract purposes under laws governing this special act. Any amount found necessary over and above the estimate of all overall expenses as submitted by applicants for a contract will be borne by the applicants themselves.

GENERAL SUMMARY OF PROPOSED EXPLORATION OF STRAGETIC MICA PROJECT

Re: Application for Loan---DMA

BUCHANAN, Otis L.
" , Ira (Partnership)
Hawk, North Carolina.

FINANCEAL STATUS.

(1)	TOTAL ESTIMATED COST OF PROJECT.	$ 4,100.00
(2)	TOTAL AMT GOVT LOAN SOLICITED.	3,690.00
(3)	AMT TO BE CONTRIBUTED BY APPLICANTS (10%)	410.00
	.ESTIM ATED TOTAL EXPENDITURES	$ 4,100.00

RECAP OF EXPENDITURES.

(1)	LABOR, (1) SUPERVISOR-(6) WORKMEN	$ 3,096.00
(2)	MACHINERY RENTAL & DRILL BITS PURCHASE	510.00
(3)	EXPLOSIVES FOR BLASTING.	356.88
(4)	ENGINE FUEL & LUBRICATION OILS	108.00
	TOTAL COST OF ALL ESTIMATED EXPENDITURES	$ 4,070.88
	RESERVED FOR INCIDENTAL EXPENSES	29.12
	TOTAL EXPENSES TO BE ACCOUNTED FOR	$ 4,100.00

SCHEDULE OF EXPLORATION.

(1) CAN BE STARTED IMMEADIATELY UPON APPROVAL OF LOAN.

(2) ESTIMATED TIME FOR THOROUGH TEST: (60) WORKING DAYS OF (8) HOURS PER DAY PER EMPLOYEE OR 480 WORKING HOURS PER EMPLOYEE DURING THE (12) WEEK TEST PERIOD OF THE PROJECT.

NATURE OF EXPLORATION.

(1) TO PENETRATE DEEPER (ESTIMATE OF 30 FEET) IN TWO PRESENT SHAFTS NOW OPEN IN (1) AREA NORTHEAST OF BRANCH and, (2) IN THE 35 FOOT SHAFT IN OLD WORKS SOUTHWEST OF THE BRANCH. (see sketch)

MINING LEASE

Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, Mitchell COUNTY.

This indenture made this 3rd day of January 19 52, between Arthur Stevenson and wife, Electa Stevenson, of Mitchell County and State of North Carolina, as parties of the first part, and known as lessors, and Ira Buchanan and Otis Buchanan, of Mitchell County and State of North Carolina, of the second part and known as lessees:

WITNESSETH, That the part ies of the first part, in consideration of the agreements hereinafter contained, on the part of the part ies of the second part to be performed, hereby bargains, leases and grants to the part ies of the second part, and their heirs and assigns, for the period of THREE (3) Years from the date of this agreement, the following described real property, for mining purposes, in the County of Mitchell State of North Carolina, to wit:

Being the old Mica & Feldspar mines located on the property of the Parties of the First Part, at the head of the hollow and below the old Carson field. This being the mines formerely worked by Jesse Mc Kinney & Sons and later by J.H. DeGroat, both under previous leases. That the working rights under this Lease shall include all the old works and shall run a distance of THREE HUNDRED (300) FEET along the vein each way from the small branch running down the hollow into the old works. That under the conditions of this Lease, all mica mined shall be worked up on the property of the Parties of the First Part.

To Have and to Hold the said lands to them, for mining purposes, the said Ira Buchanan and Otis Buchanan, and their heirs and assigns for the aforesaid period of THREE (3) YEARS upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly Mica & Feldspar and to conduct the same to any extent the said part ies of the second part may desire. And it is hereby agreed between the parties to this agreement that the part ies of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by part ies of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said part ies of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the part ies of the second part are to have right-of-way of ingress and egress to said mines. The said part ies of the second part hereby agree to pay to the said part ies of the first part, or their heirs or assigns, a rental or royalty of ONE EIGHTH (1/8), on all mica, $ .50 per ton on Feldspar taken and sold from said mines for the use of the said lands for the aforesaid period of THREE (3) YEARS only; payable as follows: Upon sales of products mined

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value.

At current market prices when sold

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within (30) Days from the date of this instrument, this lease may be terminated by the lessee s at any time thereafter, on (10) days notice to the lessors. The lessee agree that during continuance of this lease work in said mines shall not cease longer than (30) days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

Witness:

R.P. Greene, C.S.C.

Arthur Stevenson (Seal)

Electa Stevenson (Seal)

Ira Buchanan (Seal)

Otis Buchanan (Seal)

NORTH CAROLINA, _____ COUNTY. _____ TOWNSHIP.

I, _____, do certify that _____

and _____,

his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said _____

_____

being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

_____ This _____ day of _____, 19____

_____
Justice of the Peace.

NORTH CAROLINA, Mitchell COUNTY.

The execution of the foregoing instrument was this day acknowledged before me by Arthur Stevenson and wife, Fleota Stevenson & Ira Buchanan & Otis Buchanan, the grantors for the purposes therein expressed. Let the same, with this certificate, be registered. This 3 day of January, 19 52

R.P. Greene,
Clerk Superior Court

NORTH CAROLINA, _____ COUNTY.

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 19____

_____
Clerk Superior Court.

Filed for Registration at 9 o'clock A M., Jan 3, 19 52, and registered in the office of Register of Deeds for Mitchell County, in # Deed Book No. 11 page No. 75

Jan 3, 19 52

Brook Buchanan, Brook Buchanan
Register of Deeds.

MINING LEASE

FROM

TO

Lease Book _____ Page _____

FEES:

Probate . . . . . $ . . . . . .

Certificate and Seal, J. P. or N. P. . . . . $ . . . . . .

Certificate and Seal, Clerk . . . . . $ . . . . . .

State Tax . . . . . $ . . . . . .

$ . . . . . .

MINING LEASE — Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, Mitchell **COUNTY.**

This indenture made this 3rd day of January 19 58, between Arthur Stevenson and wife, Electa Stevenson, of Mitchell County and State of North Carolina, as parties of the first part, and known as lessors, and Ira Buchanan and Otis Buchanan, of Mitchell County and State of North Carolina, of the second part and known as lessees:

WITNESSETH, That the part 1on of the first part, in consideration of the agreements hereinafter contained, on the part of the part 1ee of the second part to be performed, hereby bargains, leases and grants to the part 1ee of the second part, and their heirs and assigns, for the period of THREE (3) Years from the date of this agreement, the following described real property, for mining purposes, in the County of Mitchell State of North Carolina, to wit:

Being the old Mica & Feldspar mines located on the property of the Parties of the First Part, at the head of the hollow and below the old Carson field. This being the mines formerely worked by Jesse K. Kinney & Sons and later by J.H. DeGroat, both under previous leases. That the working rights under this Lease shall include all the old works and shall run a distance of THREE HUNDRED (300) FEET along the vein each way from the small branch running down the hollow into the old works. That under the conditions of this lease, all mica mined shall be worked up on the property of the Parties of the First Part.

To Have and to Hold the said lands to them, for mining purposes, the said Ira Buchanan and Otis Buchanan, and their heirs and assigns for the aforesaid period of THREE (3) YEARS upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly Mica & Feldspar and to conduct the same to any extent the said part 1ee of the second part may desire. And it is hereby agreed between the parties to this agreement that the part 1on of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by part 1ee of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said part 1on of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the part 1ee of the second part are to have right-of-way of ingress and egress to said mines. The said part 1on of the second part hereby agree to pay to the said part 1ee of the first part or their heirs or assigns a royalty or royalties on all mica, THREE (3) YEARS taken and sold from said mines for the use of the said lands for the aforesaid period of ONE HALF (1/2) $50 per ton on Feldspar only; payable as follows: Upon sale of products mined

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value. At current market prices when sold

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within (60) days from the date of this instrument, this lease may be terminated by the lessee at any time thereafter, on (10) days notice to the lessor. The lessee agree that during continuance of this lease work in said mines shall not cease longer than days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

Arthur Stevenson (SEAL)

Electa Stevenson (SEAL)

Witness: R.P. Greene, C.S.C. — Ira Buchanan (SEAL)

Otis Buchanan (SEAL)

(SEAL)

NORTH CAROLINA, _____ COUNTY. _____ TOWNSHIP.

I, _____, do certify that _____

and _____

his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said _____

_____

being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

_____ This _____ day of _____, 19____

_____
Justice of the Peace.

NORTH CAROLINA, Mitchell COUNTY.

The execution of the foregoing instrument was this day acknowledged before me, by Arthur Stevenson and wife, Electa Stevenson & Ira Buchanan & Otis Buchanan, the grantors for the purposes therein expressed. Let the same, with this certificate, be registered. This 3 day of January, 19 52

R.P. Greene,
Clerk Superior Court

NORTH CAROLINA, _____ COUNTY.

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 19____

_____
Clerk Superior Court.

Filed for Registration at 9 o'clock A M., Jan 3, 19 52, and registered in the office of Register of Deeds for Mitchell County, in _____ Deed Book No. 11 page No. 75

Jan. 3, 19 52

Brack Buchanan, Brack Buchanan
Register of Deeds.

MINING LEASE

FROM

TO

Lease Book _____ Page _____

FEES:

Probate . . . . . $ _____

Certificate and Seal, J. P. or N. P. . . . . $ _____

Certificate and Seal, Clerk . . . . . $ _____

State Tax . . . . . $ _____

$ _____

MINING LEASE

Printed and For Sale by The Tri-County News, Spruce Pine

STATE OF NORTH CAROLINA, Mitchell COUNTY.

This indenture made this 3rd day of January 19 52, between Arthur Stevenson and wife, Electa Stevenson, of Mitchell County and State of North Carolina, as parties of the first part, and known as lessors, and Ira Buchanan and Otis Buchanan, of Mitchell County and State of North Carolina, of the second part and known as lessees:

WITNESSETH, That the part ies of the first part, in consideration of the agreements hereinafter contained, on the part of the part ies of the second part to be performed, hereby bargains, leases and grants to the part ies of the second part, and their heirs and assigns, for the period of THREE (3) Years from the date of this agreement, the following described real property, for mining purposes, in the County of Mitchell State of North Carolina, to wit:

Being the old Mica & Feldspar mines located on the property of the Parties of the First Part, at the head of the hollow and below the old Carson field. This being the mines formerely worked by Jesse Mc Kinney & Sons and later by J.H. DeGroat, both under previous leases. That the working rights under this Lease shall include all the old works and shall run a distance of THREE HUNDRED (300) FEET along the vein each way from the small branch running down the hollow into the old works. That under the conditions of this Lease, all mica mined shall be worked up on the property of the Parties of the First Part.

To Have and to Hold the said lands to them, for mining purposes, the said Ira Buchanan and Otis Buchanan, and their heirs and assigns for the aforesaid period of THREE (3) YEARS upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly Mica & Feldspar and to conduct the same to any extent the said part ies of the second part may desire. And it is hereby agreed between the parties to this agreement that the part ies of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by part ies of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said part ies of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the part ies of the second part are to have right-of-way of ingress and egress to said mines. The said part ies of the second part hereby agree to pay to the said part ies of the first part, or their heirs or assigns, a rental or royalty of ONE EIGHTH (1/8), on all mica, $ .50 per ton on Feldspar taken and sold from said mines for the use of the said lands for the aforesaid period of THREE (3) YEARS only; payable as follows: Upon sales of products mined

Payable on computation of selling bills on the tenth of each month covering sales during the previous month.

Royalties on all other minerals mined and sold shall be determined on a percentage basis and be governed by the market value. At current market prices when sold

The Term of this lease shall not be extended except with the option of the lessors; and in case of renewal, this instrument may stand if proper amendments are duly witnessed and attached in writing hereto. The lessors reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the assigns thereof. The lessee is not to assign this lease without license of the lessors.

But it is expressly agreed that unless mineral or fossil material of practical value for mining purposes shall be found within (30) Days from the date of this instrument, this lease may be terminated by the lessee s at any time thereafter, on (10) days notice to the lessor s. The lessee agree that during continuance of this lease work in said mines shall not cease longer than (30) days at any one time, unavoidable accidents excepted.

Witness our hands and seals the day and year first above written.

Witness:

R.P. Greene, C.S.C.

Arthur Stevenson (Seal)

Electa Stevenson (Seal)

Ira Buchanan (Seal)

Otis Buchanan (Seal)

NORTH CAROLINA, _____ COUNTY. _____ TOWNSHIP.

I, _____, do certify that _____

and _____

his wife personally appeared before me this day, and acknowledged the execution of the annexed MINING LEASE and the said _____

_____

being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.

_____ This _____ day of _____, 19____

_____
Justice of the Peace.

NORTH CAROLINA, Mitchell COUNTY.

The execution of the foregoing instrument was this day acknowledged before me by Arthur Stevenson and wife, Electa Stevenson & Ira Buchanan & Otis Buchanan, the grantor~~s~~ for the purposes therein expressed. Let the same, with this certificate, be registered. This 5 day of Jeluary, 19 52

R.P. Greene,
Clerk Superior Court

NORTH CAROLINA, _____ COUNTY.

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 19____

_____
Clerk Superior Court.

Filed for Registration at 9 o'clock A M., Jan 3, 19 52, and registered in the office of Register of Deeds for Mitchell County, in Deed Book No. 11 page No. 75

Jan. 3, 19 52

Brack Buchanan, Brack Buchanan
Register of Deeds.

MINING LEASE

FROM

TO

Lease Book ____ Page ____

FEES:

Probate . . . . . $ ____

Certificate and Seal, J. P. or N. P. . $ ____

Certificate and Seal, Clerk . . . . $ ____

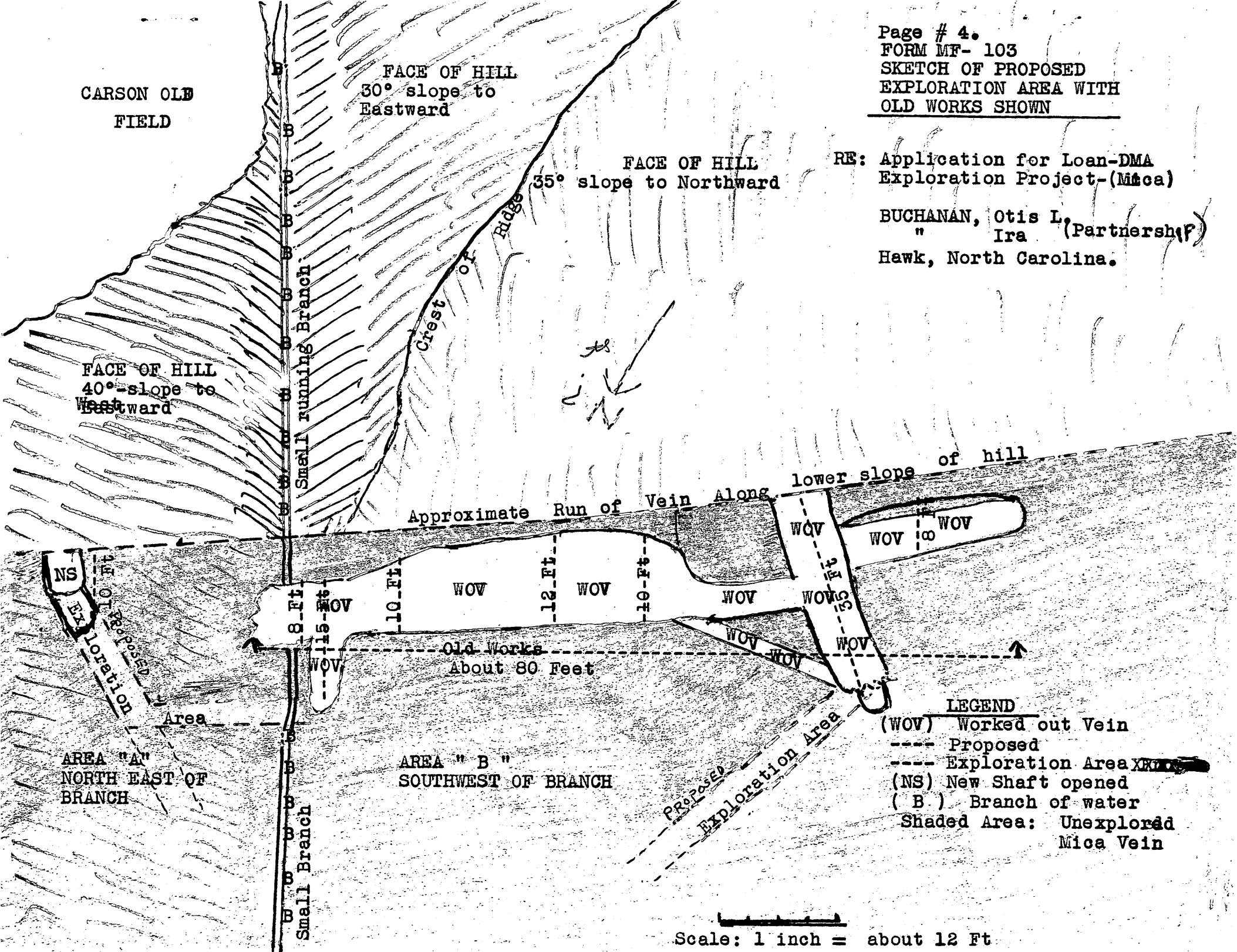
State Tax . . . . . $ ____

$ ____

Page # 4.
FORM MF- 103
SKETCH OF PROPOSED
EXPLORATION AREA WITH
OLD WORKS SHOWN

RE: Application for Loan-DMA
Exploration Project-(Mica)

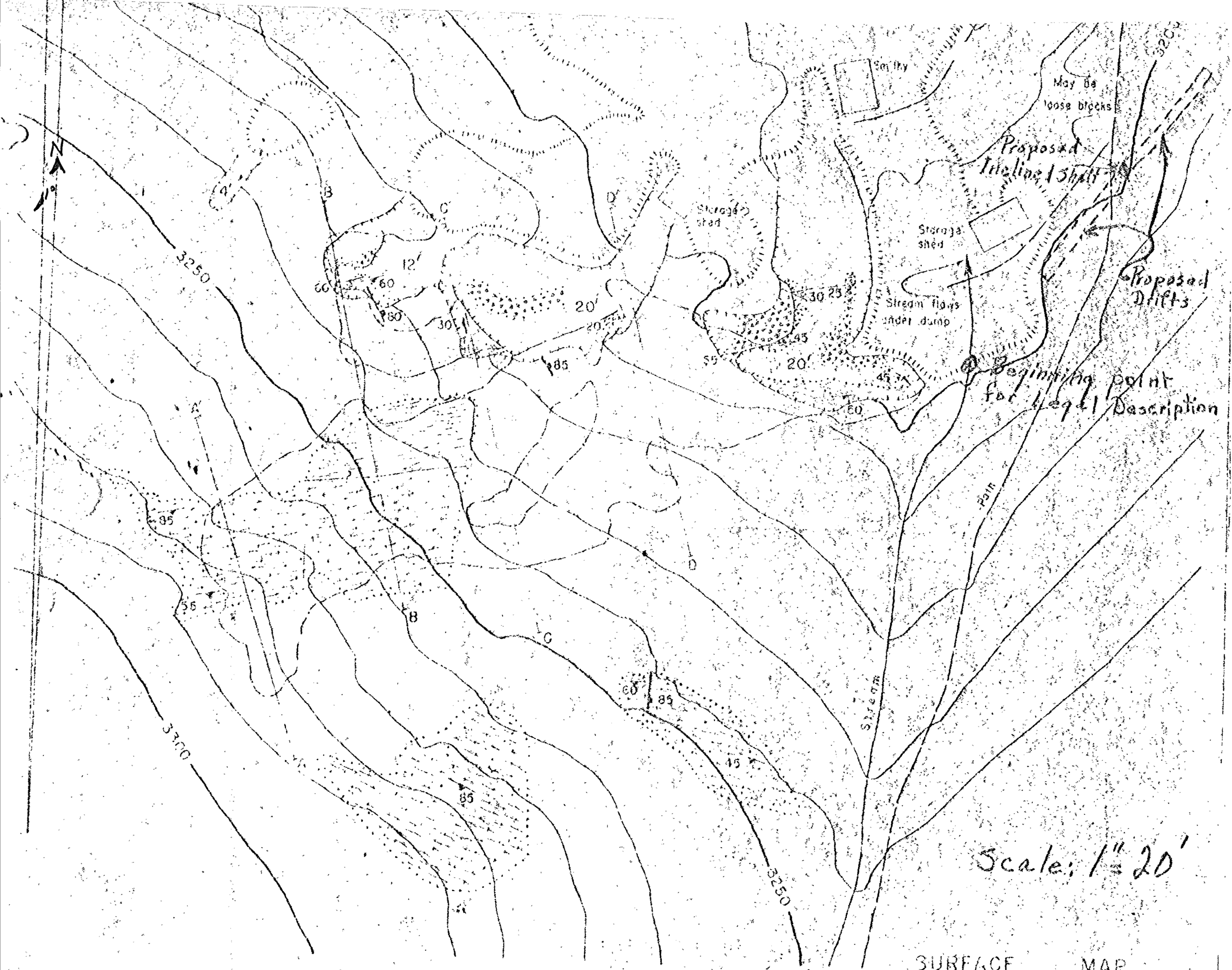
BUCHANAN, Otis L.
" Ira (Partnership)
Hawk, North Carolina.



DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

Mr. McHenry Mosier
Executive Officer
DMA Field Team, Region VIII
Bureau of Mines
Eastern Experiment Station
College Park, Maryland

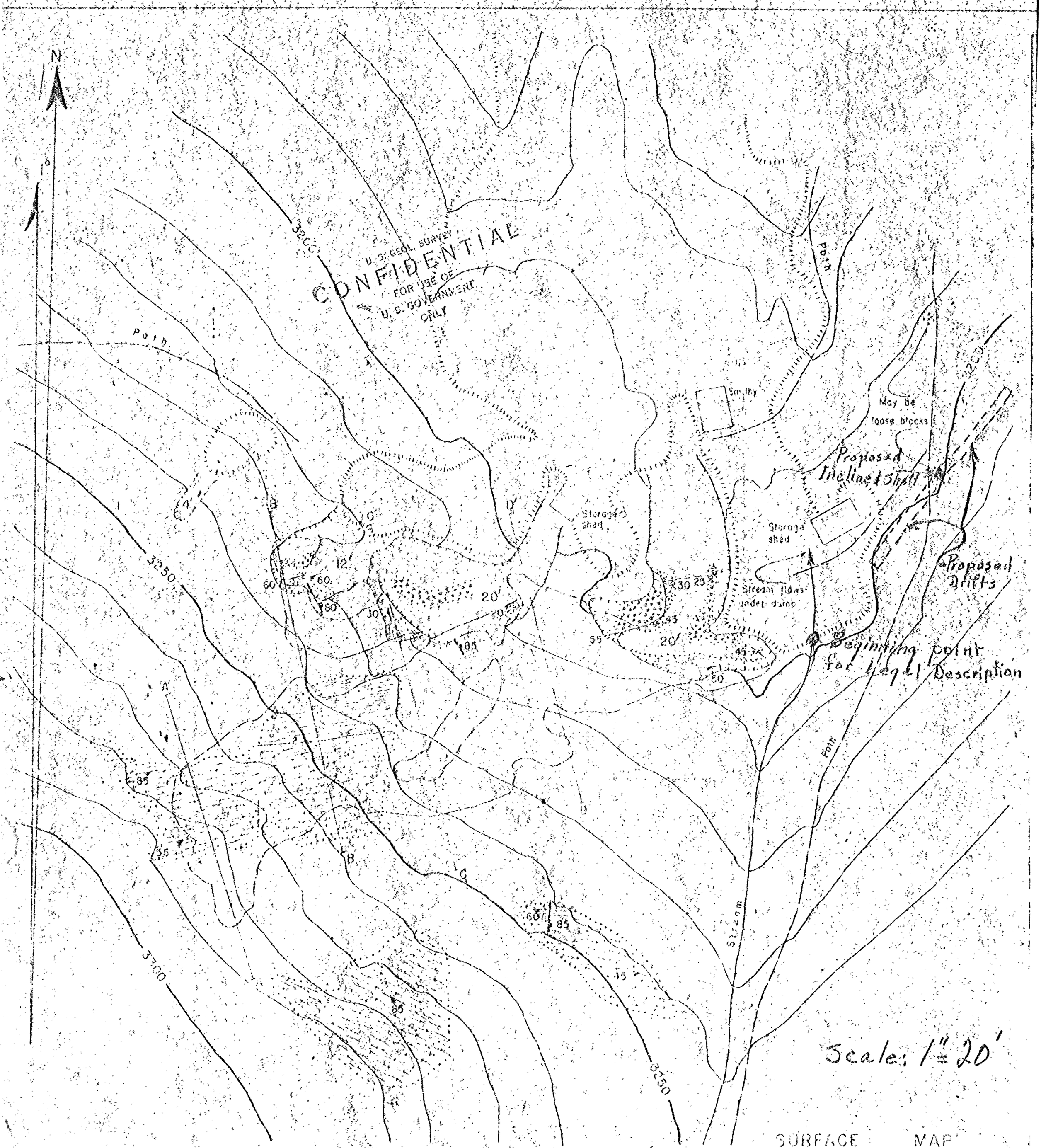


SURFACE MAP

W. C. Burleson Mica Mine

DMEA-2524

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



SURFACE MAP

W. C. Burleson Mica Mine

DMEA-2524