DEFENSE MINERALS EXPLORATION ADMINISTRATION
OFFICE OF ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Denver Mining Company
P. O. Box 336, Franklin, N. C.
and their assignees:
Mica Industries, Inc.
P. O. Box 33, Franklin, N. C.

pertaining to Exploration Project Contract No. DMA-2499, Docket No. DMEA-2979, including Amendment Nos. 1, 2, 3, 4, and 5, for the months of December 1952, to December 1953, inclusive, covering a project for the exploration of mica on property, known as the Baird Mica Mine, located in Macon County, North Carolina.

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

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

(a) the administrative cost to the Government of an audit would be excessive in relation to value of the contract or the estimated amount of possible additional disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract; and
(c) a major portion ($2,969.13) of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

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

Total cost as billed by Contractor		$3,283.00
Exceptions:		
By DMEA Finance Officer	$102.87	
Deferred	-0-	102.87
Total Accepted Cost		$3,180.13

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of two thousand eight hundred sixty-two and 12/100 Dollars

$2,862.12

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

February 1, 1956

C. E. Fisher, Auditor

Division copy

NOV 21 1955

TERMINATION AGREEMENT

It is agreed this 14th day of November, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mica Industries, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E459, Docket No. DMEA-2579, dated December 11, 1952, hereinafter called the "Contract," that:

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

2. Any work or operations prosecuted or costs incurred by the Operator beginning with said effective date shall be for the sole account of the Operator without contribution by the Government.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract.

4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived.

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

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

THE UNITED STATES OF AMERICA

By [signature]
Administrator, Defense Minerals Exploration Administration

"Appd. Sol. Off."

MICA INDUSTRIES, INC.

By [signature] Pres.

[signature] Pres.

Division Copy

DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT No. 5

Contract Idm-E 459, Docket DMEA-2579, dated 11th day of December 1952, between the United States of America, acting through the Defense Minerals Exploration Administration (Interior Department) herein after called the "Government", and Mica Industries, Inc., Franklin, North Carolina is further amended as follows:

1. Article 3 is amended to read "..... and shall bring the project to completion within a period of twenty-four (24) months from the date of the original contract...." instead of twenty (20) months as written in Amendment No. 4.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to pay, nor the amount of any item designated as 'Allowable maximum'".

August 9, 1954

UNITED STATES OF AMERICA

By: W. A. Buck

ACTING EXECUTIVE OFFICER
DMEA REGION VII

MICA INDUSTRIES, INCORPORATED

By: G. L. Lee

President.

Division Copy

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT

AMENDMENT NO. 4

Contract Docket No. DMEA-2579, Idm-E 459 (mica) dated 11th day of December 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration, herein after called the "Government," and Bauer Mining Company, assigned on April 27th 1953 to Mica Industries, Inc., Franklin, N. C. is hereby amended as follows:

1. Article 3 is amended to read ".....; and shall bring the project to completion within a period of twenty (20) months from date of the original contract....." instead of 14 months as written in Amendment No. 3 dated October 5, 1953.

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 8 of the contract form.

February 10, 1954.

THE UNITED STATES OF AMERICA

By [signature]
Acting Executive Officer, DMEA-Reg. 7

MICA INDUSTRIES, INCORPORATED

By [signature]
Frank Sierzma, President

2

Division Copy

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT NO. -3

Contract Docket No. DMEA-2579, Idm-E459 (mica) dated 11th day of December 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration, hereinafter called the "Government", and Bauer Mining Company, assigned on April 27th 1953 to MICA INDUSTRIES, INCORPORATED, Franklin, North Carolina, is hereby Amended as follows:

1. Article 3 is amended to read ".....; and shall bring the project to completion within a period of fourteen (14) months from the original contract..." instead of ten (10) months as written in Amendment No. 1 dated May 15, 1953.

This amendment is necessary because difficulties due to excessive water and heavy ground have greatly delayed progress on the project.

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 probisions of Article 8 of the contract form.

October 5, 1953

THE UNITED STATES OF AMERICA
By Robert A. Lamers
Executive Officer, DMEA-Region 7

MICA INDUSTRIES, INCORPORATED
By Frank Siersma
Frank Siersma, President

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

AMENDMENT NO. 2

Contract Docket No. DMEA-2579, Idm-K59 (mica) dated the 11th day of December 1952, between the United States of American, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Bauer Mining Company, assigned on April 27th 1953 to Mica Industries, Incorporated, Franklin, North Carolina, hereinafter called the "Operator", is amended as follows:

STAGE II of exhibit "A" under "Description of the Work" is amended to discontinue the sinking of the shaft noted in the original contract and start a new shaft at a point mutually agreeable to the Operator and the Government. This shaft will be sunk to an estimated depth of 75 feet including a 5-foot sump.

The cost of sinking the first shaft shall be borne by the Operator and any amount charged by the Operator during that operation shall be deducted from the cost of sinking the second shaft.

This amendment is necessary because after sinking the shaft to a depth of 46 feet inadequate pumping facilities, and extremely heavy ground caused the shaft to be lost.

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 8 of the contract form.

Dated: June 15, 1953

MICA INDUSTRIES, INCORPORATED

By: Frank Sierema
Frank Sierema, President

THE UNITED STATES OF AMERICA

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

United States
Department of the Interior
Defense Minerals Exploration Administration

AMENDMENT NO. 1

Contract Docket No. DMEA-2579, Idn-E459 (mica) dated the 11th day of December 1952, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Bauer Mining Company, assigned on April 27th 1953 to MICA INDUSTRIES, INCORPORATED, Franklin, North Carolina, is hereby amended as follows:

1. Article 3 is amended to read,."..... ; and shall bring the project to completion within a period of ten months (10) from the date of the contract..." instead of six (6) months as written in the original contract.

This amendment is necessary because of heavy ground and bad weather.

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 provisions of Article 8 of the contract form.

Dated May 15, 1953.

MICA INDUSTRIES, INCORPORATED

By Frank Sierama
Frank Sierama, President

THE UNITED STATES OF AMERICA

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

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Division copy

ASSIGNMENT OF CONTRACT
ASSIGNEES' ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, the Bauer Mining Company, a partnership composed of Bernard Bauer of Cullasaja, North Carolina, and Frank Siersma of Franklin, North Carolina (hereinafter called the "Operator"), entered into an Exploration Project Contract dated December 11, 1952, Contract No. Idm-E459, Docket No. DMEA-2579, with the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration (hereinafter called the "Government"); and

WHEREAS, Paul L. Grist and his wife, Eliza Cobb Grist, by a mining lease dated April 29, 1952, leased to Zeb Angel and Neil Childers for a period of 10 years, the real property covered by the aforesaid Exploration Project Contract; and

WHEREAS, the said lessees by instruments dated May 16, June 12 and 14, 1952, respectively, duly transferred all their interest in the aforesaid lease to Charles W. Nicol and Bernard Bauer; and

WHEREAS, Charles W. Nicol by an instrument dated August 4, 1952, duly assigned his half interest in the said lease to Frank Siersma; and

WHEREAS, Paul L. Grist and his wife, Eliza Grist, Bernard Bauer, and Frank Siersma, by an instrument dated December 13, 1952, agreed to, and did terminate and cancel the aforesaid lease; and

WHEREAS, Paul L. Grist and his wife, Eliza Grist, by a mining lease also dated December 13, 1952, leased directly to Frank Siersma and Bernard Bauer the same real property mentioned in the aforesaid Exploration Project Contract and covered by the aforesaid lease dated April 29, 1952; and

WHEREAS, the said Bernard Bauer by an instrument dated January 9, 1953, conveyed to Frank Siersma the exclusive right and option to purchase his interest in the aforesaid mining lease dated December 13, 1952; and

WHEREAS, the said Frank Siersma by an instrument dated FEB. 14, 1953, duly assigned his interest in the aforesaid mining lease dated December 13, 1952, and in the aforesaid option agreement dated January 9, 1953, to Mica Industries, Inc. (hereinafter called the "Assignee"); and

WHEREAS, the Assignee is a corporation duly organized and existing under and by virtue of the laws of the State of North Carolina, having an office located at P.O. Box 336 FRANKLIN, N.C.

NOW THEREFORE, the Operator in consideration of the sum of One Dollar ($1.00) lawful money of the United States and other good and valuable consideration received from the Assignee, does hereby assign, transfer, and convey to the Assignee all its right, title, and interest in and to the aforesaid Exploration Project Contract including any and all property purchased for, and the right to use any and all property devoted to the exploration work under this Exploration Project Contract, and hereby consents to any and all future amendments to the said contract; Provided, however, That the Government shall pay to the Operator all monies which may be or become due and payable to the Operator before the first day of the second month following the month in which this Assignment is accepted in writing by the Assignee; and upon payment thereof, the Operator agrees to release and hereby releases the Government from any and all claims, past, present, or future arising out of the said Exploration Project Contract.

This Assignment is subject (1) to the written consent of the Government; (2) to written acceptance by the Assignee; and (3) assumption by the Assignee of the terms, provisions, and conditions of said Exploration Project Contract binding upon the Operator.

Dated APRIL 27th, 1953.

BAUER MINING COMPANY

F.E. By Bernard Bauer

By Frank Siersma

The Assignee, this 27th day of April, 1953, hereby accepts the above Assignment, and assumes and

agrees to be bound by the terms, provisions, and conditions of said Exploration Project Contract that are binding on the Operator.

MICA INDUSTRIES, INC.

By Frank Siersma
President

On this 27th day of APRIL, 1953, before me Neal Johnston, the undersigned officer, personally appeared FRANK SIERSMA who acknowledged himself to be the President of the Mica Industries, Inc., a corporation, and that he as President, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Neal Johnston
Notary Public

My commission expires on the
9th day of October, 1954

The Government this 6th day of April, 1953, without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract, hereby consents to the above Assignment.

THE UNITED STATES OF AMERICA

By Frank E. Johnson
ACTING Administrator, Defense
Minerals Exploration
Administration

RKford
Rubins

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

DOCKET NO. DMEA 2572

COMMODITY Mica

Division Copy
Idm-E 459

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

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 11th day of December, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Bauer Mining Company, a partnership composed of Bernard Bauer, Cullasaja, N. C. and Frank Sicrama, P.O. Box 336, Franklin, N. C.

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 North Carolina, County of Macon, described as follows: [3] Being the lands conveyed by deed dated October 15, 1936, from J.A.Jones, Comm., to W. D. Billings, Registered in Book A-4, page 196, in the Register's office for Macon County, N. C.

the Operator represents and undertakes: [4]

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

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

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

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

in or upon the described land; and shall bring the project to completion within a period of Six (6) Months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

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

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

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

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

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

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

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

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

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

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

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

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

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

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

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

(c) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(a) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

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

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

(d) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(a) The Government will pay [illegible] percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $[illegible], which is [illegible] percent of $[illegible], the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

ARTICLE 9. *Repayment by Operator.*—(a) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

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

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

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

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

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

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

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

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

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (a) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (b) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (c) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ______________________________

____

____

____

Executed in sextuplicate the day and year first above written.

Bauer Mining Company
(Operator)

Bernard Bauer Partner

By Frank Bersotta Partner

THE UNITED STATES OF AMERICA

By C. O. Mittendorf

Administrator, Defense Minerals Exploration Administration

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

____

DEC 31 1952
RECEIVED
Defense Minerals Administration
DEPARTMENT OF THE INTERIOR

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
BAIRD MINING COMPANY
DOCKET NO. DMEA-2579

EXHIBIT "A"

Description of the Work

This exploration project consists of two stages as hereinafter indicated, and the location, direction and extent of the work to be performed shall be specified by the Government.

The foreman in charge of the work must be acceptable to the Government.

Stage I

West of the proposed exploration indicated on the map entitled "Baird Mica Mine, Macon County, N. C., DMEA-2579" attached hereto and made a part hereof, excavate a trench approximately north-south in direction and 12 feet wide at the bottom to explore for the westward extension of the pegmatite.

Stage II

Approximately as indicated on the above-mentioned map, sink a 5' x 7' shaft 75 feet deep, including a 5-foot sump, drift and crosscut not to exceed 150 feet. The location of the shaft may be changed by the Government if results of the trenching performed in Stage I, warrant a more favorable location.

Estimated Costs of the Project
(*Indicates allowable maximum)

Stage I

(1) Independent Contracts

None

(2) Labor, Supervision, Consultants

Working foreman, 3 8-hr. shifts @ $1.50/hr.* $ 36.00*

(3) Operating Materials and Supplies

None

(4) Operating Equipment

To be rented

1 - Bulldozer (caterpillar D-6 or equal) 20 hrs. @ $10/hr.*1/	$200.00

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements, Installations

None

(7) Miscellaneous	14.00
(8) Contingencies	
None	
Total Stage I	$250.00*

Stage II

The Government will contribute to the costs of the shaft sinking, crosscutting and drifting in this Stage for units of work actually performed, as they accrue, on the basis of the below agreed unit costs per foot, which include all costs of the work, in lieu of actual costs.

75 feet of shaft sinking @ $40/ft. exclusive of timber	$3,000.00
75 feet of 2" cribbed shaft timbering @ $8/ft.	600.00
150 feet of crosscutting and drifting @ $35/ft.	5,250.00
Total Stage II	$8,850.00

SUMMARY

Total Estimated Cost of Stage I	$ 250.00*
Total Agreed Estimated Cost of Stage II	8,850.00
Total Estimated Cost of the Project	$9,100.00*
Government Participation @ 90%	$8,190.00*

1/ This includes the cost of the Operator, gas, oil and repairs.

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 Macon, described as follows:1/ Being the lands conveyed by deed, dated October 15, 1936, from Gilmer A Jones, Commissioner, to M D Billings, Registered in Book a-4, page 192, and being the same lands described in a deed from C C Smith and wife to Emma Baird recorded in the registers office for Macon County, North Carolina, in book A A Page 340

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/ Bernard Bauer, Chas W Nicol and Neil Childers, lessees of the above captioned property.

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/$ 8190.00, 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 10 day of December, 1952. ECG PLG (SP)

S/ Mrs. Eliza Cobb Grist [Seal]

S/ Paul L. Grist [Seal]

(SP) [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.

DEC 31 1952
RECEIVED
Defense Minerals Administration
DEPARTMENT OF THE INTERIOR

SEMI-ANNUAL REPORT OF PSEUDO CERTIFIED
PROJECT

DMEA EXPLORATION PROJECT

DMEA-2579, Idm@E459(mica) BAIRD COVE MINE

Operators: Mica Industries, Inc., Assignee. c/o John T. Fizzano, Gen'l Mgr. Chester Pike & Angelo Ave., Crum Lynne, Penna.

Location: One and one-half miles N 70° W. of Franklin, Macon County, N. C., and on the west side oc Crawford Branch.

This property was visited August 9, 1957. There were no indications that any work had been done since the last examination March 19, 1957.

Wm. A. Beck, Mining Engineer
Bureau of Mines

RECEIVED
DATE
9/5
FILE
600

z

DMEA EXPLORATION PROJECTS

Semi-Annual Report of Pseudo Certified Projects

Reporting Period 7/1/56 to 1/1/57 Date of Examination: 3/19/57

Operator: Mica Industries, Inc., Assigned c/o Mr. John T. Fizzano, General Manager, Chester Pike and Angelo Ave., Crum Lynne, Pa.

Mine Name: Baird Cove Mine

County: Macon State: North Carolina

DMEA-2579 Contract No. Idm.-E459 Commodity: Mica

Date of Contract: December 11, 1952 Date of Certification by Termination Agreement dated November 14, 1955.

Expiration Date of Royalty Payments: December 11, 1962

Total Amount of Contract: $9,100.00

Total Expenditures under contract: $3,180.13

Amount of Government Participation at 90% $2,862.12

Royalty Payments this Period: None

Previous Royalty Payments: None

Total Royalty paid to Date: None

Percent Government Participation Repaid: None

Royalty Due on Production to Date: None

Royalty Remarks: There has been no production from this mine to date.

Other Remarks: This property was visited on March 19, 1957. There were no indications that any work had been done here since the project was terminated.

EXTRA COPY
DMEA
RECEIVED MAR 20 1957

DATE	INITIALS	CODE
		600

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

WAB/as

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

140

AUG - 7 1956

Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, North Carolina

and

Mr. Frank Sieroma
P. O. Box 136
Franklin, North Carolina

Re: Docket No. DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-2059

Gentlemen:

This letter is intended to inform you that you may be liable, as surety, to pay royalty to the Government on all minerals mined or produced in the 10 year period from December 11, 1952, to December 11, 1962, from the land described in Contract No. Idm-2059 dated December 11, 1952, if the producer of the minerals fails to pay such royalty. The amount of such royalty liability may total as much as $2,562.12. You would not be liable for such royalty if the producer of the minerals pays the royalty.

The basis for your obligation as surety is as follows: Payment of royalty is prescribed in Contract No. Idm-2059 which you entered into on December 11, 1952, and subsequently assigned to Mica Industries, Inc., by an assignment dated April 27, 1953, subject to the Government's consent thereto. In said assignment you consented to any and all future amendments to the said contract. Under date of April 6, 1953, the Government consented to the assignment "without releasing the Operator [i.e., Bernard Bauer and Frank Sieroma] from any of the terms, provisions, and conditions of the said Exploration Project Contract."

The contract was terminated by Termination Agreement dated November 14, 1955, subject, among other matters, to section 4 of said Agreement which reads as follows:

"4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived."

By virtue of this provision, and the terms of the contract, the Operator is obligated to pay to the Government the percentage royalty, as set forth in the contract, on all minerals mined or produced from the land described in the contract, until the sum of $2,552.12 is paid or until December 11, 1962, whichever occurs first. If the royalty is not paid by the producer of the minerals, you would be liable for such royalty as surety.

Any royalty payments made by you pursuant to such surety obligation should be made to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, by checks drawn payable to the Defense Minerals Exploration Administration. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

Sincerely yours,

C. O. Mittendorf

Administrator

PIndritz/emd
7/19/56
Rewritten 8/3/56
PIndritz:bbt

Copy to: DMEA Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Kiilsgaard
Field Team, Reg. V (2)
Mr. Chambers
Mr. Houk
Mr. Dwyer
Mr. Indritz
chron.
pending

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

Check under Industry

Mr. Bernard Bauer

Cullasaja, North Carolina
and
Mr. Frank Siersma
P. O. Box 336
Franklin, North Carolina

Re: Docket No. DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Gentlemen: Consent (A) & (B)

~~You entered into Contract No. Idm-E459 on December 11, 1952, and~~ subsequently assigned it to Mica Industries, Inc., by an assignment dated April 27, 1953, subject to the Government's consent thereto. In said assignment you consented to any and all future amendments to the said contract. Under date of April 6, 1953, the Government consented to the assignment "without releasing the Operator /i.e., Bernard Bauer and Frank Siersma/ from any of the terms, provisions, and conditions of the said Exploration Project Contract."

The contract was terminated by Termination Agreement dated November 14, 1955, subject, among other matters, to section 4 of said Agreement which reads as follows:

> "4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived."

By virtue of this provision, and the terms of the contract, the Operator is obligated to pay to the Government the percentage royalty, as set forth in the contract, on all minerals mined or produced from the land described in the contract, until the sum of $2,862.12 is paid or until December 11, 1962, whichever occurs first. ~~You would be liable as surety for such~~ royalty, ~~if it~~ is not paid by the producer ~~thereof.~~ of the minerals, you would be liable for such royalty as surety.

~~[illegible]~~ made by you pursuant to such surety obligation

Any Royalty payments should be made to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, ~~and~~ by checks ~~should be~~ drawn payable to the Defense Minerals Exploration Administration.

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

Sincerely yours,

Administrator

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

AUG - 7 1956

Mica Industries, Inc.
c/o Mr. John T. Finnane
General Manager
Minerals Processing Company
Green Lanes, Pennsylvania

Re: Docket No. DMEA-2579 (mica)
Mica Industries, Inc., Assignee
Baird Cove Mine
Mason County, North Carolina
Contract No. Idm-2438

Gentlemen:

By the terms of the Termination Agreement dated November 14, 1955, Mica Industries, Inc., which by assignment is the Operator under the contract, is obligated to pay to the Government the percentage royalty, as set forth in the contract, on all minerals mined or produced from the land described therein, until the sum of $8,862.12 is paid or until December 11, 1962, whichever occurs first. If the minerals are produced by someone other than Mica Industries, Inc., during that time, Mica Industries, Inc., would be liable as surety for such royalty, if it is not paid by the producer thereof.

To protect its right to such royalty, the Government also has a lien on the legal interest in the land possessed by Mica Industries, Inc. If Mica Industries, Inc., assigns its interest in the land, the assignee, of course, would also be subject to paying the aforesaid royalty to the Government on any production therefrom to the extent of the Government's lien.

Royalty payments should be made to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 12, Post Office Building, Knoxville 2, Tennessee, and checks should be drawn payable to the Defense Minerals Exploration Administration.

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

Sincerely yours,

G. O. Mittendorf

Administrator

Finkbein/cmt 7/19/56
Copy to: DMEA Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Ehlingsord
Field Team, Reg. V (2)
Mr. Chambers
Mr. Hook Mr. Boyer Mr. Indrite chron. pending

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

JUL 30 1956

Memorandum

To: The Administrator, BMEA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Liability of owner's interest to lien for payment of royalty to Government - Docket No. BMEA-2579 (mica)
Mica Industries, Inc., Assignee, Contract Ida-8459

Contract Ida-8459, dated December 11, 1952, was entered into with Messrs. Bauer and Sierens. The latter had a possessory interest in the land by virtue of a 10-years lease from Paul L. Grist and Elma Cobb Grist dated December 13, 1952. On December 11, 1952, the Grists executed a Consent to Lien granting a lien to the Government on the land involved. This lien was to secure payment to the Government of the percentage royalty on production 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 /$8,199/ or alter the provisions for repayment . . ."

Bauer subsequently transferred his interest in the lease to Sierens, and thereafter Sierens, by instrument dated February 14, 1953, transferred his interest in the lease to Mica Industries, Inc. Messrs. Bauer and Sierens assigned their interest in the Exploration Project Contract to Mica Industries, Inc., by an assignment dated April 27, 1953, and agreed in such assignment "to any and all future amendments to the said contract." The Government consented to the latter assignment on April 6, 1953, without releasing Bauer and Sierens "from any of the terms, provisions, and conditions of the said Exploration Project Contract."

By Termination Agreement dated November 14, 1953, the Assignee, Mica Industries, Inc., and the Government agreed to terminate the Exploration Project Contract, subject, however, among other matters, to section 4 of the Termination Agreement, reading as follows:

"4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on

production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived."

The effect of the latter provision was to waive the provision for certification contained in the Exploration Project Contract, and to subject the land and persons involved to all repayment provisions of the contract as if a certification had been made.

The Operator-Assignee, Mica Industries, Inc., clearly had the power to execute such waiver of certification, insofar as subjecting itself to liability for royalty payments to the Government, and insofar as subjecting its leasehold interest to the Government's lien for such royalty. Moreover, by virtue of the consent given by Bauer and Sierens to any future amendment to the Exploration Project Contract, the assignee had the power to waive certification insofar as concerns the liability of Bauer and Sierens as surety for the payment of royalty to the Government.

However, the assignee had no such power with respect to the lessor's interest in the land. The Consent to Lien executed by the Grists was specifically conditioned upon the terms of the Exploration Project Contract and "any amendment thereof which does not....alter the provisions for repayment...." Under the Exploration Project Contract, no repayment obligation arose until there had been a certification of discovery or development. The waiver of certification executed by the assignee completely altered this provision for repayment. Hence, the Consent to Lien, conditioned as it was on the repayment provisions of the Exploration Project Contract, including the requirement of certification and the making of such certification, did not give the Government a lien that would be effective simply on the basis of the waiver executed by the assignee, Mica Industries, Inc. No certification has been made under this Exploration Project Contract. A certification cannot now be made since the Termination Agreement which terminated all obligations of the parties under the Exploration Project Contract except as specifically provided in the Termination Agreement, did not make provision for a certification.

Accordingly, it is our opinion that the Government does not now have a lien on the lessor's interest in the land, although it does have a lien on the lessee's interest in the land which Mica Industries, Inc., as assignee, has under the lease of December 13, 1952.

We have prepared letters to Mica Industries, Inc. and to Bauer and Sierens advising them of their possible liabilities for royalty, and of the Government's lien on the leasehold interest, but we have not prepared a letter to the Grists concerning a lien on their interest in the land.

Robert P. Dwyer

PIndritz/cmd/wog
July 27, 1956
Copy to: MMA Docket
Solicitor's Docket (2)
LMBouk (2)
G.C.Selfridge
J.L.Chambers
RPDwyer
PIndritz
Chron.

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

JUL 30 1956

Memorandum

To: The Administrator, BMRA
Attention: Chief, Nonmetallic Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Liability of owner's interest to lien for payment of royalty to Government - Docket No. BMRA-2579 (mica)
Mica Industries, Inc., Assignee, Contract Ldn-2459

Contract Ldn-2459, dated December 11, 1952, was entered into with Moore, Bauer and Sierens. The latter had a possessory interest in the land by virtue of a 10-years lease from Paul L. Grist and Eliza Cobb Grist dated December 13, 1952. On December 11, 1952, the Grists executed a Consent to Lien granting a lien to the Government on the land involved. This lien was to secure payment to the Government of the percentage royalty on production 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 ($8,199) or alter the provisions for repayment . . ."

Bauer subsequently transferred his interest in the lease to Sierens, and thereafter Sierens, by instrument dated February 14, 1953, transferred his interest in the lease to Mica Industries, Inc. Moore. Bauer and Sierens assigned their interest in the Exploration Project Contract to Mica Industries, Inc., by an assignment dated April 27, 1953, and agreed in such assignment "to any and all future amendments to the said contract." The Government consented to the latter assignment on April 6, 1953, without releasing Bauer and Sierens "from any of the terms, provisions, and conditions of the said Exploration Project Contract."

By Termination Agreement dated November 14, 1955, the Assignee, Mica Industries, Inc., and the Government agreed to terminate the Exploration Project Contract, subject, however, among other matters, to section 4 of the Termination Agreement, reading as follows:

"4. The Operator, as principal if the Operator is the producer or as surety if the Operator is not the producer, shall pay to the Government the royalty on

production provided for in the Contract in the same manner and amount, for the same period, and subject to the same conditions as if a certification of discovery or development had been made, such certification being hereby waived."

The effect of the latter provision was to waive the provision for certification contained in the Exploration Project Contract, and to subject the land and persons involved to all repayment provisions of the contract as if a certification had been made.

The Operator-Assignee, Mica Industries, Inc., clearly had the power to execute such waiver of certification, insofar as subjecting itself to liability for royalty payments to the Government, and insofar as subjecting its leasehold interest to the Government's lien for such royalty. Moreover, by virtue of the consent given by Bauer and Sierman to any future amendment to the Exploration Project Contract, the assignee had the power to waive certification insofar as concerns the liability of Bauer and Sierman as surety for the payment of royalty to the Government.

However, the assignee had no such power with respect to the lessor's interest in the land. The Consent to Lien executed by the Grists was specifically conditioned upon the terms of the Exploration Project Contract and "any amendment thereof which does not....alter the provisions for repayment...." Under the Exploration Project Contract, no repayment obligation arose until there had been a certification of discovery or development. The waiver of certification executed by the assignee completely altered this provision for repayment. Hence, the Consent to Lien, conditioned as it was on the repayment provisions of the Exploration Project Contract, including the requirement of certification and the making of such certification, did not give the Government a lien that would be effective simply on the basis of the waiver consented by the assignee, Mica Industries, Inc. No certification has been made under this Exploration Project Contract. A certification cannot now be made since the Termination Agreement which terminated all obligations of the parties under the Exploration Project Contract except as specifically provided in the Termination Agreement, did not make provision for a certification.

Accordingly, it is our opinion that the Government does not now have a lien on the lessor's interest in the land, although it does have a lien on the lessee's interest in the land which Mica Industries, Inc., as assignee, has under the lease of December 13, 1952.

We have prepared letters to Mica Industries, Inc. and to Bauer and Sierman advising them of their possible liabilities for royalty, and of the Government's lien on the leasehold interest, but we have not prepared a letter to the Grists concerning a lien on their interest in the land.

Robert P. Dwyer

Robert P. Dwyer

PIndritz/cmd/wog
July 27, 1956
Copy to: BMRA Docket
Solicitor's Docket (2)
LCHuk (2)
G.C.Selfridge
J.L.Chambers
RPDwyer
PIndritz
Chron.

IN REPLY REFER TO:

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

RECEIVED
JUL 5 - 1956

July 3, 1956

Re: DMEA 2579 - Idm-E459
Mica Industries, Inc.,
Baird Cove Mine
Macon Co., N. C.
Approved $9,100.00
Expended 3,180.00
Mica

Memorandum

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

From: N. S. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final report.

The contract approved the expenditure of $9,100.00 for exploration of a wide-zoned pegmatite from which strategic mica has been shipped. Considerable work had been done, no less than ten shallow shafts having been sunk according to the map which accompanies the examiners' report. Probably all of the lateral work from the shafts has not been recorded, but in case section D-D' is reasonably correct a good case for diamond drilling a zoned section of a wide pegmatite is presented.

As mapped, the pegmatite shows a width of 60 feet as exposed in the easterly end of a stripped area. Slightly west the width as mapped is only 20 feet. In a westerly direction the pegmatite was expected to widen again, but work done under the referenced contract indicates the pegmatite decreases in width 'going west' and, characteristically, lacks a quartz core.

We are not told what the pegmatite looks like in the east end of the stripping. Unless it has been explored by work not shown that part appears to be worth work.

Work under the contract was discontinued due to inability to hold bad ground and failure to find mica-bearing pegmatite in the 64.5 foot shaft. Of the amount approved ($9,100.00), $3,180.00 was expended.

(over) →

Because the work was not completed the examiners and the Field Team recommend the execution of a pseudo-certification.

I concur with that recommendation.

N. E. Nelson

NENelson:btr
G 7/3/56

cc: W. F. Dietrich, 3061
Director's reading file (4212)
Branch reading file (4212)
DMEA (3)
Chron. file
Docket file

FEB - 2 1956

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

Dear Mr. Laurence:

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

DMEA	Idm-E	Name	Date
2579	499	Mica Industries, Inc.	1/1/54
2610	431	Dixie Minerals, Inc.	4/7/54
2873	562	Empire Mica Company	6/7/54
3375	686	Raymond Rendelman	2/14/55

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

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

NOV 30 1955

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

Subject: Docket No. DMEA-2579 - Mica
Mica Industries, Inc., Assignee
Baird Cove Mine
Mason County, North Carolina
Contract No. Idm-R459

Dear Mr. Laurence:

Reference is made to your memorandum of October 26, 1955, requesting the drafting of a new set of termination agreements for the subject contract to replace those prepared on February 24, 1955, which were apparently misplaced by the Operator.

Accordingly, we are transmitting herewith the Field Team and Finance Office copies, which have been signed by the Government and the new officers of Mica Industries, Inc. The remaining copies have been distributed in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 2
WCAnderson:gad 11/29/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Contracts

MINERALS PROCESSING COMPANY

CHester 4-2501 Crum Lynne, Pennsylvania

November 19, 1955

Mr. C. O. Mittendorf, Administrator
United States Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc., Assignee
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Dear Mr. Mittendorf:

Enclosed herewith are five copies of the completed Termination Agreement between the United States of America and Mica Industries, Inc.

Your co-operation in the handling of this Agreement is greatly appreciated.

Yours truly,

MINERALS PROCESSING COMPANY

/s/
John T. Fizzano

JFT/fb

Enclosures 5

C O P Y

600

NOV 15 1955

Mr. John T. Fizzano
General Manager, Minerals Processing
Company
Crum Lynne, Pennsylvania

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc., Assignee
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Dear Mr. Fizzano:

Reference is made to your letter of October 22, 1955, to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Knoxville, Tennessee.

Pursuant to your request, there are transmitted herewith the original and five copies of a Termination Agreement with respect to the subject contract which have been signed by the Government. This agreement replaces and is the same as that which was prepared on February 24, 1955, and transmitted to Mr. G. L. Houk, but apparently has been lost.

If the agreement has your approval, please sign all copies. Retain the copy marked "Operator's Copy", and return the remaining copies to this office.

Sincerely yours,

[illegible]

Administrator

Enclosures 6

WCAnderson:gad 11/14/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

RECEIVED
NOV 4 1955

November 4, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-2579 (mica)

Applicant: Mica Industries Inc.

Name and Location of Property: Baird Cove Mine, Macon Co., N. C.

Contract Number: Idm-E-459

Date of Field Team Report: 10/25/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/31/55

Field Team Recommendation: Recommend "Pseudo-certification."

Comments:

1. Project was abandoned before target area was reached.

2. No strategic quality mica was encountered in the pegmatite dike.

3. Because of the incompleted status of the project and the lack of good faith of the operators, a lien should be placed on the property.

Recommendation: I concur with the recommendation of the field team for "Pseudo-certification."

Signed

W. F. Dietrich

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

RECEIVED
NOV - 4 1955

November 4, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-2579 (mica)

Applicant: Mica Industries Inc.

Name and Location of Property: Baird Cove Mine, Macon Co., N. C.

Contract Number: Idm-E-459

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Signed

W. F. Dietrich

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

RECEIVED
NOV - 4 1955

November 4, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-2579 (mica)

Applicant: Mica Industries Inc.

Name and Location of Property: Baird Cove Mine, Macon Co., N. C.

Contract Number: Idm-E-459

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Recommendation: I concur with the recommendation of the field team for "Pseudo-certification."

Signed

W. F. Dietrich

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

October 26, 1955

RECEIVED
OCT 27 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-2579, Idm-2459 (mica) Mica Industries, Inc., Assignee
Baird Cove Mine, Macon County, N. C.

Enclosed are 2 copies of a letter from Mr. John T. Fizzano, General Manager, Mica Industries, Inc., and two copies of my reply.

We are unable to locate any copies of the termination agreement in our file. Apparently, all six copies (originally prepared in the Washington office) were sent to Mr. G. L. Heuk for signature, and have been lost.

Therefore, will you please draft a new set of termination agreements, identical to those prepared on February 24, 1955. If, to save time, you want to have them signed in Washington and mailed direct to Mr. Fizzano, that will be satisfactory to us, but if you prefer to send them to us for signature, we will forward them to Mr. Fizzano.

Because this contract has been handled by so many different people, most of whom seem to have no present connection with it, we doubt that the Operator can provide a final report which will add any significant information to that contained in the monthly narratives and the Field Team final report which will be mailed to you today.

It is our understanding that Mica Industries, Inc., is entirely owned by Minerals Processing Corporation.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/sm
oc:
Lynch
Shirley

Files

V. J. Lynch, Member
Bureau of Mines

Minerals Processing Company

CHester 4-2501 CRUM LYNNE, PENNSYLVANIA

October 22, 1955

RECEIVED
OCT 27 1955

Mr. Robert A. Laurence, Executive Officer
DMEA Field Team, Region V
U. S. Department of the Interior
Room 13, Post office building
Knoxville 2, Tennessee

Dear Mr. Laurence:

In reference to your letter dated October 19, 1955, and beginning with your last paragraph: I am not the President of Mica Industries, Inc., but rather the General Manager of this Company. The President is J. Carl Behler, D. D. S.

The failure of Mr. Houk to settle properly the agreement with the Government of DMEA-2579, Idm-E 459 (Mica), together with his subsequent severance of relations with our Company has placed me in an awkward position. Literature and correspondence from Mr. Houk to this office can not be located, neither can the six copies of certain forms to which you refer. It is most certainly my intention to properly execute the agreement and forms of which you speak, and this I will do, or have done by our President, Mr. Behler, if you will send additional copies that we may use.

The confusion associated with the removal of our offices from North Carolina to Pennsylvania, as well as the changes in management have all served to make for an ineffectual handling of matters that might well have been handled efficiently had business been as we anticipate it will be in the future.

Again, my sincerest apologies for the trouble caused, and a request that additional forms be forwarded for immediate execution.

Yours truly,

MINERALS PROCESSING COMPANY

John T. Fizzano
General Manager

JTF/f:

RECEIVED
OCT 25 1955
Knoxville, Tenn.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 4 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
OCT 27 1955

October 26, 1955

Mr. John T. Fizzano
General Manager
Minerals Processing Co.
Crum Lynne, Pennsylvania

Re: DMEA-2579, Idm-459 (mica)
Mica Industries, Inc. Assignee
Baird Cove Mine, Macon County,
North Carolina

Dear Mr. Fizzano:

Thank you very much for your letter of October 22, providing the information requested in my letter of October 19.

As the termination agreements which have been lost were prepared in Washington by our Legal Department and we do not have copies here, I am asking them to draft a new set which will be sent to you for signature by yourself or Mr. Bohler.

Please accept my apology for the incorrect spelling of your name on our previous correspondence. We evidently misunderstood Mr. Houk when he gave us your name and address over the telephone.

Very truly yours,

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

RAL/zm
cc:
Opr. Com.-2
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
OCT 27 1955

October 26, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville, Tenn.

Subject: Final Report, DMEA-2579, Idm-M59 (mica) Mica Industries, Inc., Assignee. Baird Cove Mine, Macon County, N. C.

Enclosed are four copies of the field team final report on the subject contract. We agree that a certification cannot be made and recommend "Pseudo-certification".

As suggested in a memorandum of this same date, concerning the termination agreement, we recommend waiving the requirement for an Operator's final report.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Miles

Received
DMEA OPERATING COMMITTEE
(OCT)

UNITED STATES
DEPARTMENT OF THE INTERIOR

RECEIVED
OCT 27 1955

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

BY
DMEA Field Team, Region V

On

DMEA-2579, Idm-E459, BAIRD COVE MINE
Macon County, North Carolina
(mica)

By

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

and

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

October 25, 1955

RECEIVED
OCT 27 1956

FINAL REPORT
On
BMEA-2579, Idm-E459, BAIRD COVE MINE
(mica)

Operator: Mica Industries, Incorporated, P.O. Box 336, Franklin, N. C.

Location: On the west side of Crawford Branch, 1½ miles N. 70° W. of Franklin, Macon County, North Carolina

Work completed under the contract consisted of bulldozing a trench and sinking and timbering a 46-foot vertical shaft; a 64.5 foot vertical shaft, and a total of 16 feet of drift from the 64.5 foot shaft. No. mica was produced from the project and the Operator abandoned it before the target area was reached. It is recommended that a lien against future production be retained because the Operator failed to complete the project. Furthermore, they apparently have not shown good faith in terminating the project as termination forms were sent them on March 24, 1955 and to date have not been returned, nor have they answered correspondance sent them.

Work began on December 30, 1952. The last work authorized by the contract was done in December 1953. A 46-foot vertical shaft was sunk but had to be abandoned because of heavy ground conditions. Another vertical shaft 64.5 feet deep was sunk 25-feet northwest of the first; the expense of the first 42 feet being at the Operator's expense. The upper 55 feet of this shaft is 5' x 7' in cross section and the lower 9 feet 5' x 5'. At a point 64.5 feet in the shaft, 16 feet of level was driven in pegmatite to the west. No quartz core is present, the pegmatite has thinned to less than 10 feet, and no mica was recovered from the pegmatite explored in the level. The Operator did not bill the Government for the 16 feet of drift.

Below water level at this deposit the ground is extremely heavy, especially the thoroughly weathered mica schist. Generally the pegmatite can be held. The 46-foot shaft was entirely in wall rock and was lost because of heavy ground and the failure of the Operator to keep the water from the shaft at all times. The other shaft could have been completed had it been inclined and sunk entirely in pegmatite as recommended by the Field Examiners.

Little new information was obtained on the pegmatite from this work. It thins to the west, the quartz core disappears, and it contains no mica. Depth of weathering is not known, but it is at least 125 feet.

Expenditures:

(a)	Total approved	$9100.00
(b)	Total cost of project	3180.00
(c)	Government's share of cost	2862.12
(d)	Government's share unexpended	5327.88
(e)	Value of production	none

This Operator made a commendable effort to operate this project satisfactorily in the early stages of the project, but appeared to lose interest as it became more difficult.

No equipment was purchased for the project.

October 25, 1955

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

and

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

Operating Committee

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

RECEIVED
OCT 21 1955

October 19, 1955

Certified
Return Receipt

Mr. John T. Pizzano

Crum Lynne, Pennsylvania

Re: DMEA-2579, Idm-E 459 (Mica)
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina

Dear Mr. Pizzano:

On August 30, Mr. V. J. Lynch wrote you requesting that you execute and return the termination agreement which Mr. Guy L. Houk, former president of Mica Industries, Inc. tells us that he has sent to you. To date, no reply to Mr. Lynch's letter has been received.

On January 25, Mr. C. O. Mittendorf, Administrator, wrote to Mr. Guy Houk and outlined two alternative methods of terminating the contract: (1) by mutual agreement with a provision that Mica Industries will be responsible for payment of any royalties upon production from the property regardless of any certification of discovery or development by the Government or (2) rescission of the contract with a demand for repayment of all money contributed by the Government. The company in a letter dated January 29, 1955, chose the former method.

Accordingly on March 24, I sent the termination agreement to Mr. Houk for signature. It is this document that Mr. Houk says he sent to you, along with all related correspondence, when you succeeded him as President of the company.

Therefore, I am repeating Mr. Lynch's request that you sign all six of the forms, keep the "Operator's copy" and mail all the rest to me. If we do not receive the executed termination agreement within a reasonable time, we will have no choice except to send notice of rescission of the contract for default with demand for prompt repayment of all Government money contributed under the contract.

John T. Pizzano
Re: DMEA-2579, Idm-E 459 (Mica)

If our information that you are President of Mica Industries, Inc., is incorrect, please advise me promptly.

Very truly yours,

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

RA/m

cc - Operating Committee - 2 copies
Shirley
Lynch
Files
Guy Houk, Franklin, N.C.

MF-50

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 9/1

REFERRED TO:

1. 600
2.
3. 11
4.

FOR:

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

REMARKS:

Gert: if you will notice there are 2 copies of region letr. to Pizzano, one is for Mr. Knouse. c

Wait for Pizzano reply.

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

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

RECEIVED
SEP - 1 1955

August 30, 1955

Memorandum

To: Mr. Frederick L. Knouse, Acting Chief, Non-Metallic Minerals Div.

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

Subject: Mica Industries, Inc. Contract Idm-Ek59, DMEA-2579 (mica) N. C.

This is with reference to your telephone call of August 26, regarding the subject contract.

We telephoned Mr. Guy L. Houk, in Franklin, N. C., today and he informed us that he is no longer connected with Mica Industries, Inc., and that Mr. John T. Pizzano of Crum-Lynne, Pennsylvania is now president of that organization.

We have written Mr. Pizzano, copy of letter attached, requesting him to return the Termination Agreement which was sent to him by Mr. Houk.

We therefore suggest that further action on the case be delayed until we hear from Mr. Pizzano.

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region V

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

VJL/mm
cc: Lynch

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

RECEIVED
SEP - 1 1955

August 30, 1955

Mr. John T. Pizzano

Green Lynn, Pennsylvania

Re: DMEA-3579, Idm-2459 (mica)
Mica Industries, Inc.
Baird Cove Mine, Macon County,
North Carolina

Dear Mr. Pizzano:

Mr. Guy L. Houk of Franklin, North Carolina has informed this office that he is no longer connected with Mica Industries, Inc., and that you are now President of the Corporation. Mr. Houk further states that he has forwarded to you all correspondence relating to the exploration contract which Mica Industries, Inc., has with the Defense Minerals Exploration Administration. According to Mr. Houk there has been no changes in the organization of Mica Industries, Inc., which would require reassignment of this contract.

On March 24, 1955 we forwarded to Mr. Houk, for his signature, six copies of a Termination Agreement of the Contract. These forms were sent to you by Mr. Houk along with other correspondence concerning the contract. We are, therefore, requesting you to sign all six copies, keep the "Operator's Copy" and return all others to this office.

If for any reason the Termination Agreement is unacceptable, please return all six copies unsigned, along with suggested changes for our consideration.

Very truly yours,

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region V.

VJL/sm
cc:
Opr.-2
Knouse
Lynch
Shirley
Files

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

RECEIVED
SEP - 1 1955

August 30, 1955

Mr. John T. Pizzano

Crum Lynn, Pennsylvania

Re: DMEA-2579, Idm-2459 (mica)
Mica Industries, Inc.
Baird Cove Mine, Macon County,
North Carolina

Dear Mr. Pizzano:

Mr. Guy L. Houk of Franklin, North Carolina has informed this office that he is no longer connected with Mica Industries, Inc., and that you are now President of the Corporation. Mr. Houk further states that he has forwarded to you all correspondence relating to the exploration contract which Mica Industries, Inc., has with the Defense Minerals Exploration Administration. According to Mr. Houk there has been no changes in the organization of Mica Industries, Inc., which would require reassignment of this contract.

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If for any reason the Termination Agreement is unacceptable, please return all six copies unsigned, along with suggested changes for our consideration.

Very truly yours,

V. J. Lynch, Acting
Executive Officer, DMEA
Field Team, Region V.

VJL/am
cc:
Opr.-2
Kneuse
Lynch
Shirley
Files

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

RECEIVED
OCT 21 1955

October 19, 1955

Memorandum

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

From: Field Team, Region V

Subject: DMEA-2579, IdmE-459 (Mica)
Mica Industries, Inc.
Baird Cove Mine, Macon County, North Carolina

Reference is made to Field Team memorandum dated August 30, 1955.

We have had no reply to Mr. Lynch's letter to John T. Pizzano. All our efforts to get this termination agreement signed seem to get nowhere.

We are again writing to Mr. Pizzano, by registered mail. If an answer is not received in a reasonable time, the contract should be terminated by unilateral action.

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

V. J. Lynch
Member, U. S. Bureau of Mines

RA /mg
cc - Operating Committee
Lynch
Shirley
Files

September 29, 1955

Mr. Robert A. Laurence calling Mr. F. L. Knouse

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

FLKnouse:gad
CC: Docket
Mr. Houk
Admr. R. File

Mr. Knouse: Do you remember the Mica Industries case?

Mr. Laurence: The man who was president of the concern is now out, and a man in Pennsylvania is now president (Mr. Pizzano).

Mr. Knouse: We asked your comments on a letter from the operator which covered the possibility of them being unable to do that work because of bad ground conditions encountered. They sank a shafe to 46 feet and lost it and sank another 46 feet shaft at their own expense and lost it. We would appreciate your comments on the operator's letter and your recommendations regarding what should be done about the project. The operator states the case and reasons for its objections to continuing with the shaft work. We discussed this with Mr. Lynch and asked for comments and recommendations on the letter.

Mr. Laurence: The only thing is to get to see them. There is not much you can do when the people have no heart to do anything.

Mr. Knouse: It appears these fellows sank a shaft at their own expense and made the statement that they have conferred with people of considerable experience who stated it would be extremely expensive and dangerous to complete this shaft sinking and the other contract work.

Mr. Laurence: We were trying to terminate.

Mr. Knouse: We are trying to terminate and we want to write them to pay.

Mr. Laurence: It is the same with the Empire Mica Company (DMEA-2873) in Georgia. We agreed it was an extremely difficult situation, possibly we could terminate and put in a pseudo certification.

Mr. Knouse: Do you think these people will sign that sort of termination?

Mr. Laurence: We have been trying since March to get them to sign. Mr. Pizzano is the President of the company and Lynch wrote him and we have been waiting for an answer from him.

Mr. Knouse: This fellow Siersma assigned the lease and in the assignment he agreed to be held liable under the terms of the assignment.

Mr. Laurence: I am not sure the people who now own will pay. I will look up the letter on that. I thought the next move is when we hear from Pizzano.

Mr. Knouse: That is correct, we should hold off any action against him until Oct. 15, then take the 30 day notice action. In the meantime please write your comments and recommendations taking into account what they have done and the size of the target.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

August 10, 1955

Memorandum

RECEIVED
AUG 12 1955

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-2579, Idm-E459 (mica) Mica Industries Inc., Franklin, N. C.
Baird Cove Mine, Macon County, N. C.

Reference: Mr. Mittendorf's letter of June 27 to the Operator.

No reply to Mr. Mittendorf's letter has been received here. The Operator still has not returned the signed termination agreement.

We think it is now time to send (by registered mail, return receipt requested) a unilateral termination notice to the Operator.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

RAL/zm
cc:
Lynch
Shirley
Files

Div. Rockett

600

August 26, 1955

Memorandum

To: File

From: Frederick L. Knouse
Nonmetallic Minerals Division

Subject: Docket No. DMEA-2579 - Mica
Mica Industries Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Telephone conversation with Mr. F. L. Knouse and Mr. W. C. Andersen of this office and Mr. V. J. Lynch of the Region V office. Regarding the above problems of terminating project.

Knouse: A letter from the Operator dated January 29, 1955 (copy was sent to you with our letter of February 24, 1955). The Operator states, "The best advice I am able to get, from men of long experience in this type of operation, is that it would be exessively dangerous and far more costly than the amount of appropriation to continue the operation under the original plan."

After studying the file on the case we would appreciate your comments on this statement.

Lynch: I think that's true.

Knouse: We note in the Field Team memorandum of March 1, 1955, that there is some doubt concerning whether a lien against the Operator to repay the Government's participation is justified. The letter states, "————" and it is not fair to one Operator to preserve a lien on one contract and not on another." This question was subsequently cleared up in correspondence. It occured to us since the Operator sank the original shaft and lost it, and sank another at his own exposed to a depth of 46 feet the conditions cited in his letter of January 29, may be about true. We may ask is the expense of completing the work justified to reach a target of the size we are shooting for.

Lynch: I see.

Knouse: Therefore, in the light of all this information we would appreciate a memo from the Field Team containing their recommendations with detailed justifications regarding what should be done about this case.

If you feel the Operator has made a strong try and lost and the target size does or does not justify the expense to complete the work, are we justified in demanding the repayment of the Government contributions or instituting lien against the Operator. What ever you can do to give us the complete picture on this case will be appreciated.

Lynch: We will get busy on this matter and send you a report on the problem as soon as possible.

Frederick L. Knouse

600

JUN 27 1955

Mr. Guy L. Hook
President, Mica Industries, Inc.
P. O. Box 449
Franklin, North Carolina

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-2459

Dear Mr. Hook:

Reference is made to our letter of January 25, 1955, and your reply of January 29, 1955.

Our letter of January 25, 1955, gave you two possible alternative methods of terminating the subject contract, and on January 29, 1955, you chose termination by mutual agreement with the provision that your corporation would be liable for the payment of any royalty that would accrue from any production on the property regardless of any certification of discovery or development. On March 24, 1955, the termination agreement was forwarded to you for your signature and on May 10, 1955, and June 10, 1955, Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, requested that you return the signed copies of the termination agreement.

We wish to cooperate with you in the matter of allowing ample time but if the executed termination agreement has not been received by July 17, 1955, the Government will then take the alternative action.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHook:gad 6/17/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Hook

JUN 23 1955

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

Subject: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-R459

Dear Mr. Laurence:

Reference is made to your letters of May 10, 1955, and June 10, 1955, requesting the Operator to execute and return the termination agreement sent March 24, 1955.

If the enclosed letter meets with your approval please forward it to the Operator.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures

LGHouk:gad 6/17/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

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

RECEIVED
JUN 13 1955

June 10, 1955

Mr. Guy L. Houk, President
Mica Industries, Inc.
P.O. Box 449
Franklin, North Carolina

Re: DMEA-2579, Idn-459 (mica)
Baird Cove Mine, Macon County, N. C.

Dear Mr. Houk:

On March 24, 1955, we sent you, for signature, six copies of a Termination Agreement, for terminating the subject exploration contract. We have never received the executed copies, although on May 10, I again wrote you asking for them.

Please sign all six copies and send me, as soon as possible all copies except the "Operator's Copy."

Very truly yours,

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

RAL/sm
cc:
Opr. Cop. — 2
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1[illegible] POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 12 1955

May 10, 1955

Mr. Guy L. Houk, President
Mica Industries Inc.
P.O. Box 449
Franklin, North Carolina

Re: DMEA-2579, Idm-E459 (mica)
Baird Cove Mine, Macon County,
North Carolina

Dear Mr. Houk:

On March 24, 1955, we sent you six copies of a Termination Agreement for your signature. We have never received these from you. Will you please sign all six copies and return all except the one marked "Operator's Copy," to me, as soon as possible.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/mm
cc:
Lynch
Shirley
Opr. Con.

Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Library
MAR 26 1955

March 24, 1955

Mr. Guy L. Houk, President
Mica Industries, Inc.
P.O. Box 449
Franklin, North Carolina

Re: DMEA-2579, Idm-E459 (mica)
Baird Cove Mine

Dear Mr. Houk:

Enclosed herewith are six copies of a Termination Agreement form for the subject contract.

If it is agreeable to you, please sign all six copies, keep the "Operator's Copy" and return all the others to me.

If for any reason it is unacceptable, please return all six unsigned, along with suggested changes for our consideration.

We regret that conditions were such that the exploration originally proposed could not be completed.

Very truly yours,

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

RAL/zm

cc:
Lync
Shirley
Opr. Com.
Files

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

MAR 21 1955

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

Re: Docket No. DMEA-2579 (Mica)
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. 1da-1459

Dear Mr. Laurence:

With a memorandum dated March 1 to the Operating Committee you returned the proposed termination agreement for the subject contract for the reason that it contains a provision requiring the Operator to pay royalty regardless of certification while, you contend, the termination agreement for Docket No. DMEA-2073 (Empire Mica Co.) which was terminated for the same reason as the subject contract does not contain such a provision.

Your premise is incorrect. The termination agreement for the Empire Mica contract contains a provision in paragraph 4, which amends the royalty annex so as to require the Operator to pay royalty on all production regardless of certification. (See your copy of our letter to the Operator dated August 4, 1954, pointing this out; and see also our letter to you dated October 12 comparing the Empire Mica termination with three other termination cases.) The provision in paragraph 5 of the proposed termination agreement for the subject contract differs from the Empire Mica royalty provision in form only, not in substance.

Accordingly, we are returning the proposed termination agreement in the same form as originally submitted to you.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Copy to: DMEA Docket
Sol. Docket
Adm. R. File
Op. Comm.

T. H. Kiilsgaard, GS
W. P. Dietrich, BM
L. G. Houk
J. L. Moffland

H. C. Rubin
Chron. File
Pending File

March 7, 1955

Memorandum

To: Mr. John L. Hofflund, Acting Assistant Solicitor, DMEA

From: Lawrence G. Houk, Nonmetallic Minerals Division

Subject: Termination Agreement - Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Reference is made to Field Team memorandum of March 1, 1955, concerning termination agreement of the subject contract.

Pursuant to our conversation with Mr. Rubin on March 7, please prepare letter to Mr. Laurence returning the Termination Agreements for execution.

We wish to maintain the provision in Article 5 on royalty payments which is the same as in Article 4 of Termination Agreement for DMEA-2873, Idm-E562, referred to by Mr. Laurence.

WCAnderson:gad 3/7/55
Copy to: Admr. R. File
Docket
Mr. Houk

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

March 1, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V. Knoxville, Tennessee

Subject: DMEA-2579, Idm-E459 (mica) Mica Industries, Inc.
Baird Cove Mine, Macon County, N. C.

Reference is made to your letter of February 24, transmitting a termination agreement.

We are returning the agreement herewith, as we do not wish to sign it in its present form. In our opinion, Article 5 of this agreement should be replaced by a paragraph comparable to Article 4 of the termination agreement for DMEA-2873, Idm-E562 (Empire Mica Co., Short-Mitchell Mine). Reasons for terminating these two contracts are identical, and it is not fair to one Operator to preserve a lien on one contract and not on the other.

When the termination agreement is revised, we suggest using January 1, 1954 as the effective date.

Robert A. Laurence

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

RAL/sm

FEB 2 4 1955 400

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

Subject: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-2459

Dear Mr. Laurence:

Pursuant to request by Mica Industries, Inc., by letter dated January 29, 1955, copy of which is enclosed, our Legal Division has prepared the enclosed original and five copies of a Termination Agreement.

If it meets with your approval please sign it and present it to the Operator for approval and signature. Please fill in the effective date which is the date agreed upon between the Field Team and the Operator.

After execution of the 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

Thor H. Kiilsgaard

Member, Geological Survey

WCAndersen:gad 2/18/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Enclosures 6

600

February 7, 1955

Memorandum

To: Mr. J. L. Hofflund, Acting Assistant Solicitor

From: Nonmetallic Minerals Division

Subject: Termination Agreement - Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Mason County, North Carolina
Contract No. Idm-8459

Please prepare for execution in the field a termination agreement with provision for payment of royalties, pursuant to request by the subject Operator in letter dated January 29, 1955.

Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:ad 2/7/55
Copy to: Admr. R. File
Docket
Mr. Houk

C O P Y

GUY L. HOUK
Attorney at Law
Franklin, N. C.

January 29, 1955

U. S. Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina

Your letter of January 5 relative to the above matter has been received.

We have come to the conclusion that it is impossible to carry out the contract by reason of the type of ground found when operations were begun.

On account of the nature of the ground one shaft was completely lost and another was sunk to the point where it did not seem feasible to continue operations. For that reason, therefore, I would prefer that this contract be terminated by your first alternative.

The best advise that I am able to get, from men of long experience in this type of operation, is that it would be excessively dangerous and far more costly than the amount of appropriation to continue the operation under the original plan.

I would appreciate your cooperation in this matter.

Yours truly,

/s/ G. L. Houk
G. L. Houk, President
Mica Industries, Inc.

GLH;nj

C O P Y

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

JAN 25 1955

Mr. Guy Houk, President
Mica Industries, Inc.
P. O. Box 449
Franklin, North Carolina

Re: Docket No. DMEA-279 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina

Dear Mr. Houk:

On November 23, 1954, this office wrote Mr. Frank Sierema, former president of Mica Industries, Inc., that the Government would not be disposed to grant additional extensions of time for performing the work, and inquired as to the company's intentions with respect to resuming work under the subject contract. We now note in our file a copy of a letter dated May 31, 1954, from Mr. Sierema to our Executive Officer, Mr. Laurence, at Knoxville, Tennessee, stating that you are in charge of this matter and that communications should be addressed to you at the above address. We assume that you have seen the letter of November 23, 1954, to Mr. Sierema.

Mica Industries, Inc., has long been in default under the provisions of the subject contract, and it is now necessary that the matter be wound up promptly in some manner. We perceive two possible alternatives:

1. We would be disposed to terminate the contract with you by agreement providing the termination agreement contains a provision that you will be responsible for the payment of any royalties that may accrue upon production from the property regardless of any certification of discovery or development by the Government.

2. The Government could give you a notice of rescission of the contract for your default thereunder, with a demand for the payment of all money contributed. If the money was not promptly paid, the account would be referred to the Attorney General for collection.

Mr. Houk

Please favor us with a prompt reply to this letter. In the absence of a prompt reply we shall deem it necessary to proceed on the second alternative.

Sincerely yours,

E. O. Mittendorf

Administrator

JLHoffland/end
1/19/54

Copy to: DMEA Docket
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Killagaard
Mr. Chambers
Mr. Houk
Field Team, Reg. V (2)
J. L. Hoffland
chron.
pending

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

JAN 17 1955.

Memorandum

To: The Administrator, DMEA

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2579 (Mica), Contract No. Idm-E459, Mica Industries, Inc., Baird Cove Mine, Macon County, North Carolina

By memorandum dated January 11, the chief of the Nonmetallic Minerals Division submitted to this office a request for the drafting of a termination agreement with pseudo-certification, together with a draft of a proposed letter for your signature to the Operator transmitting the termination agreement for execution.

In my memorandum to you of November 19 (Attention of Mr. Houk), I remarked that:

> "I understand from Mr. Houk that there is no real intention of requiring the Operator to repay the Government's contribution, and, of course, if the Government should wish to do this we would not terminate but give a notice of rebission with a demand for repayment."

I doubt if a termination agreement with pseudo-certification is really the best thing to suggest in this matter. The Operator has ignored recent correspondence requesting a statement of its intentions, and it seems probable that it will ignore a proposal for a termination agreement with pseudo-certification. If it does ignore it, we will have a record that would seem to indicate that in our opinion the Operator should be held liable for reimbursement of the Government's contribution. If he signs the termination agreement, it is probable that any liability under the landlord's consent to lien will be absolved unless a new landlord's consent to lien is required in connection with the termination agreement.

L. G. Houk

Under these circumstances it seems to me that no termination agreement with pseudo-certification should be entered into or proposed unless a new Owner's Consent to Lien is required contemporaneously therewith. The alternative is to simply give a unilateral notice of termination under the provisions of the contract form, or else a notice of rescission for the default of the Operator with a demand for repayment to the Government of all money contributed. Of course, if the corporate Operator was organized for the purposes of this contract, and has no assets which could be reached, any demand for repayment will be a useless gesture.

If in view of all of the circumstances it is still deemed desirable to offer the Operator a termination agreement with pseudo-certification, I shall immediately draft one for this purpose. However, before proceeding along that line, I deem it desirable to make certain that that is the course which we want to pursue.

Your attention is called to the unsatisfactory state of the docket in this case. In the docket appear two copies of an assignment of the contract, both bearing signed approvals of the Government, one dated April 6, 1953, signed by Frank E. Johnson, and the other dated March 4, 1953, signed by C. O. Mittendorf. No other signatures appear on either copy and none of the blanks are filled in. Thus we cannot tell from the docket whether the contract ever has been assigned, or which assignment may be in effect. I think it essential that every docket should contain a fully completed copy of every instrument that goes to make up the contract.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Copy to: L. G. Hook

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

NOV 23 1954

Mr. Frank Sierema, President
Mica Industries, Inc.
P. O. Box 336
Franklin, North Carolina

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-8459

Dear Mr. Sierema:

The time for the completion of the work under the subject contract, as amended, expires on December 11, 1954. It is our understanding that no work has been done since December 1953.

The Government would not be disposed to grant any further extensions of time for the performance of this contract unless work is actively resumed and in process before the time now fixed for the completion of the work.

Please advise this office promptly of your intentions in the matter.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk/JLHofflund/emd
11/19/54
Copy to: DMEA Docket
Solicitor's Docket
Adm. R. File
Field Team, Region VII (2)
L. G. Houk
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
~~Mr. Houk~~ J.L. Hofflund
chron.
pending

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

Rewritten J. L. H. Jr.

Mr. Frank Siersma, President
Mica Industries, Inc.
P. O. Box 336
Franklin, North Carolina

Re: Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Dear Mr. Siersma:

Reference is made to the subject contract in force for two years and expiring on December 11, 1954.

The contract work has not been completed nor has a diligent effort been made to complete it. In fact, no work has been accomplished since December 1953. Unless immediate steps are taken to resume the work and carry the contract to completion, steps will be taken to terminate the contract. This contract may be terminated by mutual agreement with your company if you are agreeable to pay the Government the royalty on production from the property for a ten year period in the same manner as though the property were certified as a discovery. The contract may also be ~~terminated~~ by unilateral action of the Government for nonperformance in which case the Government may demand repayment of all funds advanced.

Please advise this office of your plans for resumption of work or your choice in type of termination of the contract.

Sincerely yours,

Administrator

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

November 19, 1954

Memorandum

To: The Administrator, DMEA
Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-2579, Mica Industries, Inc., Contract Idm-E459 (Mica)

I have deemed it necessary to rewrite a letter prepared by Mr. Houk for your signature to the Operator. A termination of this contract by agreement, with a "pseudo-certification," would be satisfactory provided you do not consider it important that such agreement may jeopardize the Owner's Consent to Lien. It seems to me better to determine definitely whether the owner intends to resume work, and if he does not, we can then decide whether to terminate the contract by notice or terminate it by agreement. I understand from Mr. Houk that there is no real intention of requiring the Operator to repay the Government's contribution, and, of course, if the Government should wish to do this we would not terminate but give a notice of rescission with a demand for repayment.

J. L. Hofflund

JLHofflund/emd
Copy to: DMEA Docket
Solctr. Docket
L. G. Houk
J. L. Hofflund
Chron.
Attachments

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 45 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED
NOV 10 1954

November 8, 1954

Memorandum

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

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

Subject: DMEA-2579, Idm-E 459 (mica) Baird Cove Mine, Macon County, N. C.

The subject contract, as amended, will expire on December 11, 1954, at which time it will be two years from the date of the contract. No work has been done under the contract since December 1953, although the Operator repeatedly assures us that they intend to complete the project, and they have signed two time-extension amendments since then. Once, last summer, at their request Mr. Teague met the officials of the company on the ground and discussed plans for continuing the work, which they assured him would start immediately.

We recognize the difficulties involved, but we think the objectives are as good now as at the beginning, and we think the Operator should at least make a diligent attempt to complete the job. We suggest that the Washington office write the Operator a letter insisting upon some sort of action. If time beyond the two-year limit is to be granted, that will have to be done by the Washington office.

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

Robert A. Laurence
Executive Officer, DMEA
Region VII

RAL/am.
cc: Beck, Lynch - Files

September 2, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2579, Idm-E 459 (mica) Mica Industries, Inc. Franklin, N. C.
Baird Cove Mine, Macon County, N. C.

Reference is made to your letter of August 27.

Mr. Teague has revisited the mine recently, with officials of Mica Industries, Inc. He and they are in agreement that the target is attainable though difficult, and that completion is desirable, but they continue to drag their feet instead of getting started. Mr. Teague will be in Franklin again next Monday and will contact Mr. Guy Hook to learn what, if anything, is being done. He will insist on resumption of operations in the near future.

Robert A. Laurence

RAL/mm
cc:
Beck
Lynch
Files

600

AUG 2 7 1954

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

Subject: Docket No. DMEA-2579 - Mica
Mica Industries, Incorporated
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Dear Mr. Laurence:

Reference is made to Amendment No. 5 written and executed in the field.

In granting time extensions on contracts the royalty annex should be added as a consideration for granting additional time. On December 11, 1954, this contract will have been in force for two years. We should, at this time, determine whether or not the target is attainable, and if it is request the operator to prosecute the work diligently or the contract will be terminated.

We realize the difficulties the operator has had with heavy ground and losing the first shaft, but do not desire to have these contracts dragged on indefinitely.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

s/Thor L. Kiilsgaard
Member, Geological Survey

LCHouk:gad 8/23/54
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5227
Mr. Houk

August 27, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 5 - Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

The purpose of Amendment No. 5 to Contract No. Idm-E 549 is to extend the completion date from August 11, 1954, to December 11, 1954.

The Nonmetallic Minerals Division concurs in the amendment as written and executed in the field but with reluctance because of the improbability the Operator will attain the target.

Please note the letter to Mr. Robert A. Laurence regarding this amendment. The contract is dated December 11, 1952, and was to be completed in six months but because of difficulties such as heavy ground, etc., the completion date has been extended altogether to two years. This Division questions that the work can be completed and the workings kept open to mine the deposit.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 8/27/54
Copy to: Admr. R. File
Mr. Houk

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

August 16, 1954

Memorandum

To: Operating Committee, DMEA - Washington

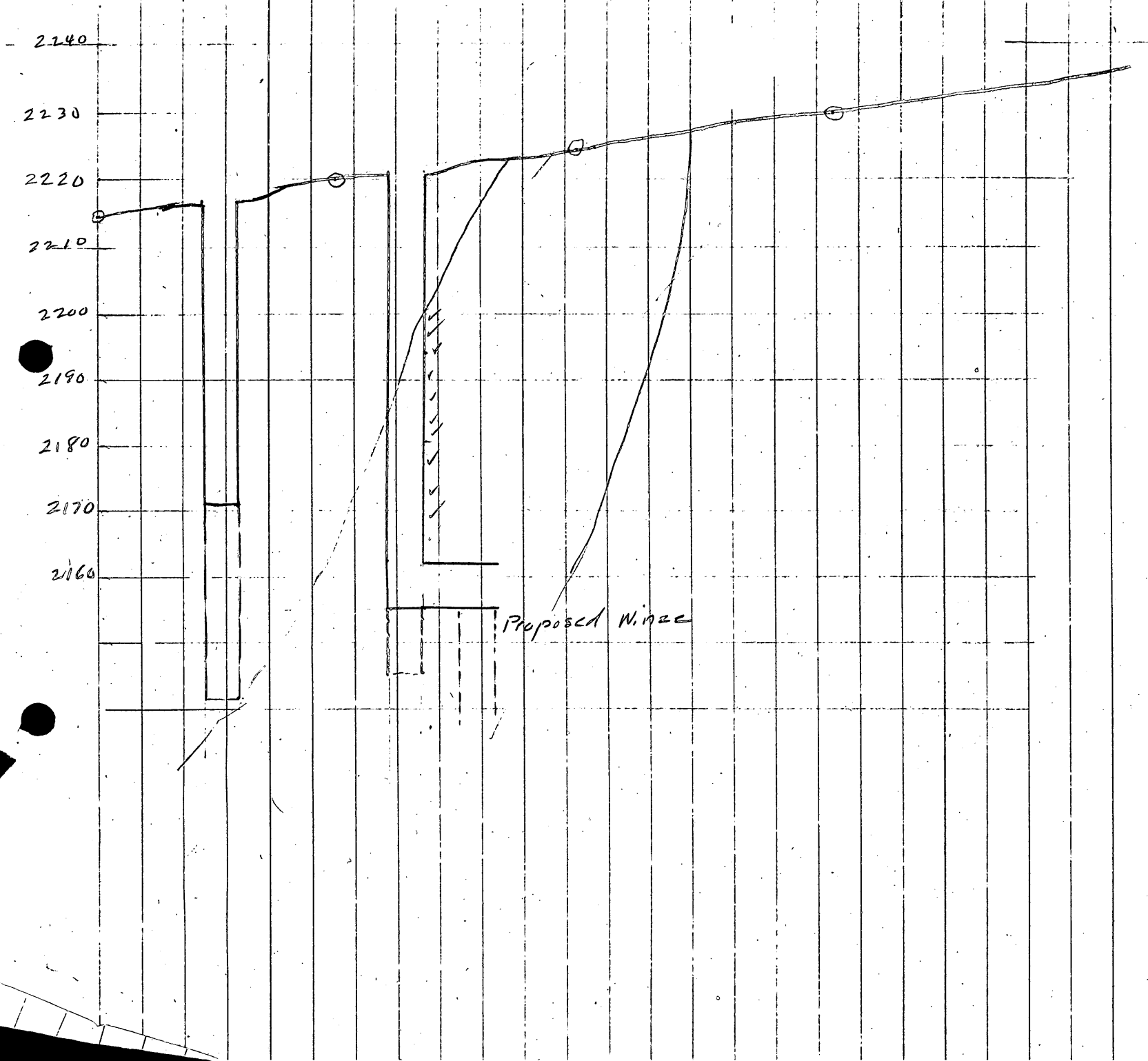
From: Executive Officer, DMEA - Region VII

Subject: Signed Amendment No. 5, on DMEA-2579, Idm-E459 (mica)
Mica Industries, Inc. N. C.

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

Robert A. Laurence

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

August 3, 1954

Mr. Guy L. Houk, President
Mica Industries, Inc.
P.O. Box 449
Franklin, North Carolina

Re: DMEA-2579, Idm-E 459 (mica)
Baird Cove Mine, Macon Co., N. C.

Dear Mr. Houk:

The contract for exploration at the Baird Cove Mine, as amended, calls for completion by August 11, 1954. Because of the difficulties encountered to date, it is obvious that it cannot be completed by that time. If you will let me know approximately how much time you will require to complete the job, and the date on which you expect to resume operations, I will prepare an amendment providing the additional time and send it for your approval and signature.

Very truly yours,

Robert A. Laurence

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

C
O
P
Y

August 3, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Completion of Mica Projects.

The following projects, due for completion in July and August, have been completed:

DMEA-2794, Idm-E 607 (Carolina-Clear Mica Co.)

DMEA-2870, Idm-E 542 (Blue Ridge Mica Co.)

DMEA-2871, Idm-E 602 (Joe A. Beasley)

Actual dates of completion of DMEA-2794 and DMEA-2870 are not known; if the July vouchers show that work was done after the 24 and 28th respectively, we will prepare amendments to authorize the few extra days' work.

These contracts, due for completion in August, will not be completed and we will prepare amendments to extend both:

DMEA-2579, Idm-E 459 (Mica Industries, Inc.)

DMEA-3188, Idm-E 647 (Charles Hensley)

We have received a final voucher, but no final report on DMEA-3132 (Dixie Mines, Inc.). This project was completed in June.

Robert A. Laurence
Executive Officer
DMEA Region VII

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

June 18, 1954

Mr. Wm. A. Freeman, Certified Public Accountant
Arthur F. Norton & Company
Candler Building
Atlanta, Georgia

Re: DMEA-2579, Idm-E 159 (mica)
Mica Industries Inc. Baird Cove Mine
Macon County, N. C.

Dear Mr. Freeman:

Reference is made to your letter of June 17, requesting verification of the amount owed the Government on the subject contract. Our records show that $3,180.13 of the contract amount of $9,100.00 has been expended. Of this amount the Government has contributed 90 percent or $2,862.12. Under the terms of the contract the contractor is not obligated to repay the Government's contribution unless a certificate of discovery or development is issued. Repayment is made on a royalty basis from production from the deposit. As the project is not yet completed it is impossible at this time to state whether such a certificate will be issued.

We are enclosing a copy of the regulations and a booklet of questions and answers on the program. The regulations have been amended since the Baird Cove contract was signed so there are some things in the new regulations that do not pertain to this contract.

If we can be of any further service to you, please call upon us.

Very truly yours,

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

WAB/mm
cc:
Beck
Lynch
Spr. Com.-2
Files

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN - 4 1954

Room 13, Post Office Building
Knoxville 2, Tennessee

June 2, 1954

Mr. Frank Sizemore, President
Minerals Processing Company
209 Church Street
La Grange, Georgia

Re: DMEA-2575, Contract Idm-E 159 - Mica
Mica Industries, Inc.
Baird Cove Mine, Macon County, N. C.

Dear Mr. Sizemore:

Thank you for your letter of May 31, with information about the Baird Cove lease. I agree with you that no assignment of the contract is needed. I had somehow gotten the incorrect impression that current operation at the Baird Cove would be by Minerals Processing Company. I am glad to be straightened out on this, and as you suggest, we will contact Mr. Houk on matters relating to this contract.

I am pleased to note that activity at Baird Cove will be resumed next week. Mr. Teague and Mr. Shirley will visit the project on their next trip to Franklin.

Sincerely yours,

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

RAL/mg
cc
Operating Committee
Division DMEA File
Beck
Lynch
Guy L. Houk
files

COPY
mg 6/2/54

MINERALS PROCESSING COMPANY General Offices: 200 Church Street - LAGRANGE, GEORGIA

Beryl — Ground Mica — Scrap Mica — Kaolin — Quartz — Quartz Granules

May 31, 1954

Mr. Robert A. Laurence
DMEA Executive Officer
Room 13, P.O. Building
Knoxville 2, Tennessee.

Re: DMEA-2579, Ldm-E 459 (mica)
Mica Industries Inc.
Baird Cove Mine, Macon Co., N.C.

Dear Mr. Laurence:

Reference is being made to your letter of May 28 regarding the above captioned contract.

Mica Industries Inc., is the holder of the Baird Cove lease. With the exception of qualifying shares, one each, held by its Directors it is wholly owned by Minerals Processing Company. Officers and Directors are:

PRESIDENT & DIRECTOR	GUY L. HOUK	Franklin, N. C.
VICE PRESIDENT "	J. CARL BEHLER	Allentown, Pa.
SEC-TREASURER "	NEAL JOHNSTON	Franklin, N. C.
DIRECTOR	PHILIP S. HOYT	LaGrange, Georgia
DIRECTOR	FRANK SIERSMA	LaGrange, Georgia

With the exception of Neal Johnston, all the above are also Directors of Minerals Processing Company.

Mr. Houk is in charge of this business and communications should be addressed to his attention; P. O. Box 449, Franklin, N. C. L. S. Penland, of Franklin, is Mine Foreman, under the supervision of Mr. Hoyt.

In view of the above it would appear that no assignment will be necessary.

It has been planned to start dewatering of the shaft at the Baird Cove mine on June 7.

Very truly yours,

MINERALS PROCESSING COMPANY

/s/ Frank Siersma

Frank Siersma, President

FTS:mm

CC: Mr. Guy L. Houk
Bank Building
Franklin, N. C.

May 28, 1954

Mr. Frank T. Sierson
Minerals Processing Co.
P.O. Box 722
Lafayette, Georgia

Re: DMEA-2579, Idn-2 169 (mica)
Mica Industries Inc.
Baird Cove Mine, Oconee County, S. C.

Dear Mr. Sierson:

Mr. Teague tells me that, as a result of the conference at the Baird Cove mine yesterday, you will go ahead with sinking the winze which was suggested some time ago. This is agreeable to us, but it will require an amendment to the contract which we will prepare and forward to you for signature, in due.

As it now stands, this contract is with Mica Industries, Inc., as a result of that firm's acceptance of the assignment from Bauer Mining Company signed by you on April 27, 1953. What is the present status of the lease ownership? If it has been assigned to Minerals Processing Company, and if that firm is to take over the direct responsibility for the contract, it will be necessary to prepare assignment and acceptance forms. If, on the other hand, Minerals Processing Company does the work as a sub-contractor for Mica Industries, Inc., no assignment will be necessary, but all papers, including the amendment will then have to be signed by an official of Mica Industries, Inc., and checks will be made payable to that company.

Very truly yours,

Robert A. Lawrence
Executive Officer, DMEA
Region VII

RAL/sm
cc:
Black
Lynch
Gen. Con.
Div. DMEA Files
Lawrence

May 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region VII

Subject: DMEA-2579, Idaho59, Baird Cove Mine (mica)
Mica Industries, Inc. Franklin, North Carolina

On Thursday May 27, Mr. Teague met with Mr. Phil Hoyt, Mr. Frank Sierema, and others of Minerals Processing Company of LaGrange, Georgia, successors to Mica Industries, Inc., at the Baird Cove mine. There has been no activity at Baird Cove during the winter.

It was agreed that Hoyt would proceed with an attempt to sink a 25-foot winze from the shaft drift at the 65-foot level. Work will begin early in June. We will prepare an Amendment, as authorized in your letter of January 12, 1954, in the near future.

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

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

RAL/cm
cc:
Beck
Lynch
Files
DMEA-Div. File

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

Copy

March 4, 1954

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

Dear Mr. Laurence:

Reference is made to the numerous time amendments that have been recommended and executed on the various mica mines throughout Region VII.

It appears to this office that the projects are not being prosecuted continuously or diligently to complete the work during the specified time of the contract. We are writing you to inquire what steps should be taken to make the operators complete the contracts on time. Our thinking has been that where an operator has a number of contracts and is not working diligently and making good progress monthly, he should be cautioned that some of his contracts may be terminated if he is not able to efficiently prosecute them all at one time. We wish to discourage week end mining and sporadic operations. Any suggestions you could give this office, or any action you may take on your own initiative to speed up the prosecution of the contract work will be appreciated by this office.

Sincerely yours,

/s/ George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ J. H. Hedges
Member, Bureau of Mines

/s/ D. M. Larrabee
Member, Geological Survey

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

March 3, 1954

Memorandum

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Subject: Amendment No. 4 - time extension - Docket No. DMEA-2579 - Mica
Mica Industries, Incorporated
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Amendment No. 4 changes Article 3 to read 20 months from the date of the original contract or to August 11, 1954. The Nonmetallic Minerals Division concurs in the amendment as written and executed in the field but feels too much time has been wasted and that the project should be vigorously prosecuted to completion. A letter to the field to accomplish better work prosecution on these contracts has been forwarded.

LGHouk:gad 3/3/54

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

Mr Anderson

[illegible]

[illegible]

[illegible]-2572 [illegible]-409 (mica) [illegible]

[illegible]: [illegible]ica Industries, Inc., c/o [illegible]rank [illegible]ierara, [illegible]ranklin, [illegible]. C.

[illegible]: 1½ miles [illegible] 70° [illegible] of [illegible]ranklin, [illegible]acon County, [illegible]. C. and on the west side of [illegible]rawford [illegible]ranch.

No work can be r[illegible]ported for this contract during the past three weeks. [illegible]n visit to the [illegible]ine and later co[illegible]tact with the operator revealed that due to winter weather the work had to be ceased. The operator stated that work would probably not resume until [illegible]ebruary, and it was requested that he advise the [illegible]ield [illegible]xaminers when operations got underway again.

[illegible]. [illegible]. Shirley, [illegible]ining [illegible]ngineer
U. S. [illegible]ureau of [illegible]ines

[illegible]. [illegible]. [illegible]ue, Geologist
U. S. Geological Survey

January 11, 1964

Mr. [illegible]

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

January 21, 1954

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-2579, Idm-E 459 (mica) Baird Cove Mine, Macon Co., N. C.
Mica Industries, Inc.

Latest report from the field examiners is that no work has been done on the proposed winze and that the status of the deeper work is uncertain. Therefore, we are withholding preparation of Amendment No. 3 until the field examiners' next visit to the mine.

We also understand that this mine has been, or is about to be, transferred from Mica Industries, Inc. to Minerals Processing Co., of Franklin, North Carolina.

Executive Officer, DMEA
Field Team, Region VII

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

RAL/zm
cc:
Beck
Lynch
Laurence

600

JAN 12 1954

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

Subject: Docket No. DMEA-2579 - Mica
Mica Industries, Incorporated
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Dear Mr. Laurence:

Reference is made to the Field Team's Interim Report dated December 18, 1953, on the subject property.

The Legal Division have advised that an amendment to the contract is necessary to sink the 25-foot winze referred to in the report. You are hereby authorized to prepare an amendment to allow for the winze without increasing the estimated total cost of the project.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

WCAnderson:gad 1/8/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

RECEIVED
DEC 31 1953

INTERIM REPORT

ILEA-2572 Idm-2489 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Crosscutting and drifting from the 65 ft. shaft level has been stopped on this contract because of heavy ground conditions. A short drift to the northwest has provided a working area in stable ground and permission to sink a winze in this area was given the operator. An attempt was made to drift to the southeast, but heavy ground forced withdrawal from this drift. This area was bulk headed and work began to the northwest. The operator is of the opinion that he can sink the winze for a depth of 25 feet, which would place him in more stable ground to begin drifting.

Mr. R. A. Laurence, Executive Officer of ILEA, Region VII, accompanied the Field Examiners on this visit to the mine.

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

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

Dewey Amos, Geologist
U. S. Geological Survey

December 18, 1953

INTERIM REPORT

DMEA-2579 Idm-E459 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking has been completed on this contract to a total depth of 65 ft. and a turnoff has been made to the south from this level. The operator reported that heavy ground in the footwall area made it near impossible to continue sinking and permission was given to floor the shaft at this level and turnoff. Present plans include crosscutting to the hanging wall in pegmatite and begin drifting. Material encountered in the crosscut is principally kaolinized feldspar and biotite mica. A few small pieces of muscovite mica was observed on the dump.

A new pump has been procured recently and will be installed in the near future. This should help alleviate water conditions which has been a source of trouble in the past.

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

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

November 30, 1963

Mr. Gibson

605

INTERIM REPORT

IDEA-2879 Idm-E459 (mica) BAIRD COVE MINE

459

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking resumed on this contract November 6, 1952. The shaft contained several feet of water at the time of this visit, due to another pump breakdown, and the bottom was not examined. Total depth of shaft is now 65 feet and dump material observed appears to be getting harder. Most of the material removed consists of feldspar, biotite mica and small sizes of muscovite mica. The operator reports that up to the day of this visit, the mine has been kept as dry as possible and some timbering has been accomplished.

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

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

November 13, 1953

MBL

Mr. Anderson

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
DMEA REGION VII
Knoxville, Tenn.

October 15, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee

From: Acting Executive Officer, DMEA - Region 7

Subject: Time Extension Amendments

Your letter of October 13 regarding the above subject:

Idm-E 469, DMEA-2467, Amendment mailed your office 10/14/53

✓ Idm-E 459, DMEA-2579, Amendment mailed your office 10/12/53

Idm-E 535, DMEA-2882, Project completed and Operator's final report has been received in this office but is being held here until the Field Teams final report is prepared. The Field Examiners will examine the property in the near future, after which a report will be written.

/s/
Wm. A. Beck

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
DMEA REGION VII
Knoxville, Tenn.

C O P Y

October 15, 1953

Memorandum

To: George C. Selfridge, Chairman, Operating Committee

From: Acting Executive Officer, DMEA - Region 7

Subject: Time Extension Amendments

Your letter of October 13 regarding the above subject:

Idm-E 469, DMEA-2467, Amendment mailed your office 10/14/53

✓ Idm-E 459, DMEA-2579, Amendment mailed your office 10/12/53

Idm-E 535, DMEA-2882, Project completed and Operator's final report has been received in this office but is being held here until the Field Teams final report is prepared. The Field Examiners will examine the property in the near future, after which a report will be written.

/s/
Wm. A. Beck

October 15, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Amendment No. 3 - Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

The purpose of this amendment is to extend the completion date from October 11, 1953, to February 11, 1954. This amendment is necessary because difficulties due to excessive water and heavy ground have greatly delayed progress on the project.

The Nonmetallic Minerals Division concurs in the amendment as written and executed by the Executive Officer, DMEA Field Team, Region VII.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 10/15/53

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

OCT 13 1953

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

Dear Mr. Lawrence:

We wish to call your attention to the following dockets the completion dates of which may require extension by amendment. In those cases where this will be necessary and you approve, will you please furnish us copies of such amendments:

Docket	Contract	Completion date
DMEA-2379	Idm-8364	October 1, 1953
DMEA-2467	Idm-8469	September 22, 1953
DMEA-2579	Idm-8459	October 11, 1953
DMEA-2582	Idm-8535	September 29, 1953

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:
J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

LCBook:gad 10/8/53

Copy to: Admr. R. File
Docket File
Mr. Book
Operating Committee
Mr. Dietrich, Rm. 3520
Mr. Larrabee, Rm. G-232, GSA

P. S. Amendment No. 1, Docket No. DMEA-2379, Contract No. Idm-8364 was received in this office October 7, 1953.

DEPARTMENT OF THE INTERIOR
Bureau of Mines Mail Section
RECEIVED
OCT 2 1953

MONTHLY REPORT

[illegible]-2579 (dm-1409 (mica) [illegible]

[illegible] Mica Industries, Inc., c/o Frank Sierman, Franklin, N. C.

[illegible]: 1½ miles N 70° [illegible] of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking has been halted temporarily on this contract because of a pump breakdown. Shaft measurement indicates a total depth of 64.6 feet with 21.5 feet of water. Dump material, recently removed, indicates that the shaft is still in pegmatite consisting principally of kaolinized feldspar. The operator expects to resume sinking as soon as parts replacements for the pump have been obtained.

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

[illegible] M. Tongue, Geologist
U. S. Geological Survey

September 21, 1953

Mrs. Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of AUGUST 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P. O. Box 336 Franklin, N. C.
Contract Amount, $ 9,100.- Government Participation: 90 % Amount, $ 8,190.-

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.	175.		175.00	175.00
Crosscutting						
Drifting Shafting	680.	1880.	2560.	577.13	1,880.00	2,457.13
(2) Labor and Supervision:						
Labor						
Supervision		36.	36.		36.00	36.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	136.	376. ~~512.~~	512.	136.00	376.00	512.00
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	~~816.~~	~~2467.~~	~~3283.~~	713.13 ~~816.00~~	2,467.00 ~~2467.00~~	3,180.13 ~~3283.00~~

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K-16

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 9/1/53 *Payee MICA INDUSTRIES INC.
Per N. E. Mashburn Title Vice President

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:
$ ~~734.40~~ $641.82 was
Cora G. Piper
Signature ~~N. E. Mashburn~~
(Authorized Certifying Officer)
Date SEP 23 1953 Vou. No. 84
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Ida-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Sept. 4, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION VII Date SEP 9 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 2 C 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of AUGUST 195 3 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P. O. Box 336 Franklin, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising		577.13		2457.13		38.39	20 55	28.57 40.80
Shafts	ft	~~680.~~ was	17	~~2560.~~ was	64	~~2560~~ was	75 was	~~40.-~~ was
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	hr			175.	17½	175.	20	10.-
~~Test Pits~~ Labor etc.	hr			36.	24	36.	24	1.50
Roads and Trails								
Timbering	ft	136.	17	512.	64	512.	75	8.-
TOTAL DISTRIBUTED COSTS		713.13 ~~816~~ was		3180.13 ~~3283.~~ was				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
		713.13		3180.13				
TOTAL COSTS		~~816.~~ was		~~3283.~~ was				

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

Date 9/1/53 Operator Mica Industries Inc.

Per W. E. Mashburn Title Vice President

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

U. S. GOVERNMENT PRINTING OFFICE 205676

EX

9/1/53

MICA INDUSTRIES INC.
P. O. BOX 336
FRANKLIN, N. C.

DOCKET NO. DMEA - 2579

CONTRACT NO. Idm-E 459

PROGRESS REPORT FOR AUGUST - 1953.

Completed 17 feet of shafting & timbering.

- 64 feet completed to date -

Work is now through quartz which is very large. Now on north side of vein, which is dipping south; shaft is following vein.

- - - - -

EXECUTIVE OFFICER
DMEA REGION VII

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

September 15, 1953

Memorandum

To: Helen Miller, Administrative Officer

From: Wm. A. Beck

Subject: Corrected Monthly report for August on DMEA-2579, Idm-E459 Mica Industries.

Transmitted herewith are original and two corrected copies of the subject report and voucher.

After sinking the shaft to a depth of 55 feet its dimensions were reduced from 5' x 7' to 5' x 5'. The allowance for shaft sinking has been reduced in proportion to its size. Thus, instead of paying $40.00 per foot for sinking the 5' x 5' shaft we are paying 5/7 of $40.00 or $28.57 per foot. The rate of $8.00 for timbering will remain the same.

In a telephone conversation between Mr. R. A. Laurence and Mr. L. G. Houk, Chief Non-Metallic Minerals Division on September 14, 1953, Mr. Houk advised the above procedure.

WAB

WAB/mm

Finance Office-3

Lynch

Beck

Laurence

EXECUTIVE OFFICER
DMEA REGION VII
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

September 15, 1953

Mr. H. L. Mashburn, Vice Pres.
Mica Industries Inc.
P.O. Box 336
Franklin, N. C.

Re: DM A-2579, Idm-4459 (mica)

Dear Mr. Mashburn:

Your August monthly report and voucher is being sent to the Finance Officer today for payment.

Because the size of your shaft has been reduced from 5' x 7', as specified in the contract to 5' x 5', that portion of your shaft sinking below 55' will be paid on a proportional basis. All shaft sinking on the 5' x 5' size will be paid at 5/7 of $40.00 or $28.57 per foot. On this months report you claim 17 feet of shaft sinking of which 8 feet was 5' x 7' and 9' was 5' x 5' in size. Therefore, shaft sinking for the month has been changed from $680.00 to $577.13. The items under shafting will now be $577.13, $1880.00 and $2,457.13, and your totals at the bottom of the page $713.13, $2,467.00 and $3,180.13. Please change your copy of the MF-104 and MF-104A to conform with ours.

Very truly yours,

Wm. A. Beck, for R. A. Laurence
Executive Officer, DMEA Field Team
Region 7

WAB/mm
Finance Office-3
Beck
Lynch
Laurence

[illegible]

[illegible]-2578 Idn-459 (mica) [illegible]

[illegible]: [illegible] Industries, Inc., c/o Frank [illegible], Franklin, N. [illegible].

[illegible]: 1[illegible] miles N 70° [illegible] of Franklin, [illegible] County, N. [illegible] and on the west side of [illegible] Branch.

Shaft sinking has been halted temporarily on this contract because of a pump failure. The mine is making considerable water and could not be examined on this visit. Shaft measurements indicated that 9.5 feet of shaft sinking had been accomplished in the past two weeks, after narrowing the cross sectional opening to 5' x 5'. This places the bottom at 54.5 feet.

The field examiners were unable to contact the operator to learn when operations will be resumed.

[illegible] E. Shirley, Mining Engineer
U. S. Bureau of Mines

[illegible] E. Teague, Geologist
U. S. Geological Survey

August 24, 1953

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

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE 6a
PAYMENTS K- 8

37

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of JULY, 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P.O. BOX 336 Franklin, N. C.
Contract Amount, $ 9,100.00 Government Participation: 90% Amount, $ 8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.-	175.-			
Crosscutting						
Drifting						
Shafting	200.-	1680.-	1880.-			
(2) Labor and Supervision:						
Labor						
Supervision					36.00	36.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	40.-	336.-	376.-			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	240.-	2191.-	2431.-	240.00	2,227.00	2,467.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date 8/3/53 *Payee MICA INDUSTRIES INC.
Per W. E. Mashburn Title VICE PRESIDENT

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 216.00

Signature Cora A. Pipes
(Authorized Certifying Officer)

Date AUG 13 1953 Vou. No. 37
(See other side)

4th

24.00

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idn-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Aug. 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title DMEA REGION VIII EXECUTIVE OFFICER Date AUG 6 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
Received
AUG 10 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of JULY 195 3 Docket No. DMEA 2579 Contract No. Jdm-3 459
Operator's Name MICA INDUSTRIES INC. Minerals MICA
Address P. O. BOX 336 Franklin, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	ft	200.-	5	1880.-	47	1880.-	75	40.-
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	hr.			175.-	17½	175.-	20	10.-
Test Pits ~~Misc~~ Labor etc.	hr.			36.-	24	36.-	24	1.50
Roads and Trails								
Timbering	ft.	40.-	5	376.-	47	376.-	75	8.-
								TOTAL COSTS AUTHORIZED BY CONTRACT
TOTAL DISTRIBUTED COSTS		240.-		2457.-				
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		240.-		2457.-				

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

Date 8/3/53 Operator MICA INDUSTRIES INC.
Per N. E. Mashburn Title VICE PRESIDENT

REMARKS:

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

8/3/53 MP-104A

MICA INDUSTRIES INC.
P. O. BOX 336
FRANKLIN, N. C.

DOCKET NO. DMA- 2579 CONTRACT NO. Idx-R 459

PROGRESS REPORT - JULY - 1953

WORK ACCOMPLISHED

July 28 to 31. 5 ft. of shafting
5 ft. of timbering

Formation is becoming harder; now in vein material.

Found small blocks of mica.

Quartz beginning to appear in small formations.

- - -

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 12 1953

INTERIM REPORT

459

DMA-2579 Idm-2469 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° E of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking at the No. 2 location continues on this contract and is now at 40 feet, having been cribbed solid to this depth. The shaft is in pegmatite material which is a completely weathered feldspar with little quartz and a few pieces of large biotite and small muscovite mica. First pegmatite material was encountered at 20 feet from the collar. The mine is making water, but is being held satisfactorily to date. Progress on this new shaft has been satisfactory.

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

R. B. Teague, Geologist
U. S. Geological Survey

July 27, 1953

2579 ~~2570~~ 459 (Mica)

Operator: Mica Industries, Inc., c/o Frank Kierson, Franklin, N. J.

Location: 1½ miles to 70° of Franklin, Sussex County, N. J. and on the west side of Crawford Branch.

Shaft sinking on the No. 2 shaft continues and is now at 20.5 feet, having been cribbed to this depth. Other timbering completed includes a separated manway with staggered ladders to about 18 feet.

Country rock encountered remains to be a highly weathered mica schist, but some weathered pegmatite material was being penetrated at time of visit. An inspection of the bottom was not made because of water. The mine is making water, but not nearly so much as shaft No. 1 was making at this same depth. Progress on this project is satisfactory.

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

E. S. Vaague, Geologist
U. S. Geological Survey

July 13, 1953

Code box

2579 INTERIM REPORT
459
~~Inv. 2573 Inv. 458~~ (mica) [illegible]

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft No. 2 has been spotted about 25 feet northwest of Shaft No. 1 and sinking has begun. Shaft No. 2 is now down to 14 feet and has been cribbed solid to this depth with 2" x 6" sawed timbers. Material encountered is a soft, highly weathered mica schist and only hand tools are required for sinking. This shaft will duplicate No. 1 and all costs of sinking will be borne by the operator to a depth of 48 feet, at which point work on No. 1 was discontinued.

The operator is familiar with the ground conditions at this location and it is hoped that preventive measures will be taken, in advance, in order that this shaft will not be lost.

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

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

July 2, 1953

600

JUL 6 1953

Mr. Frank Sierman, President
Mica Industries, Inc.
P. O. Box 336
Franklin, North Carolina

Re: Docket No. DMA-2579 - Mica
Baird-Cove and Baird-Smith Mine
Macon County, North Carolina
Contract No. Idm-8439

Dear Mr. Sierman:

Your application for aid for an expanded exploration project and other data available to us in Washington concerning the above named property have been reviewed.

Careful study of all our information indicates to us that the work provided for in the subject contract will effect adequate exploration. We regret to advise you, under these circumstances, that your application for an expanded exploration program is denied.

Sincerely yours,

C. O. Mittendorf

Administrator

SAFeitler:gad 7/6/53

Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

July 6, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 2 - Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-E459

Purpose: To provide for abandonment of caved shaft and sinking another shaft at a site mutually acceptable to the Operator and the Government.

Justification: Inadequate pumping facilities and extremely heavy ground caused the loss of the shaft after a depth of 46 feet had been attained. The Operator proposes to excavate the first 46 feet of the new shaft at no cost to the Government.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the amendment as executed in the field June 15, 1953.

/S/
Stanley A. Feitler
Nonmetallic Minerals Division

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

INTERIM REPORT

DMEA-2579 Idm-E499 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking on this project is at a standstill. Material encountered from the 30 foot level to the present depth, 43 feet, has been a soupy, silty micaceous schist, well saturated with water. This material has been very costly to handle, both from pumping and timbering costs. Norman Washburn, mine foreman and also the working end of this partnership, states that additional sinking in this mine is next to impossible. Heavy timber requirements because of pressure exerted from all directions has cut down the working space in the shaft considerably. Any additional work in the form of timbering would contribute to this problem. Discussions with Washburn after mine examinations by the field examiners indicates the need for a change in the proposed exploration with the same target in mind. If no change can be made, the chances of this shaft being abandoned are very good.

In view of the foregoing, the field examiners recommend turning off the shaft at the 40 ft. level, crosscutting over and away from old works to pick up the vein, sink a winze with additional shaft footage, and then carrying out the original drifting program.

Not undertaken See Amended No. 3 6/15/53

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

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

noted 6/19/53 SAF

June 4, 1953

June 3, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1 - Docket No. DMEA-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina
Contract No. Idm-2459

Purpose: To amend Article 3 of the contract to allow ten months instead of six months for completion of the work.

Justification: The amendment is necessary because of heavy ground and bad weather.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the amendment as executed in the field May 15, 1953.

/S/
Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 6/3/53

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

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

June 1, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2913, Mica, Baird Cove and Baird-Smith Mine, Macon County, North Carolina

I concur in the field team's recommendation to deny subject application on the basis that the work covered by Contract No. Idm-E459 will be adequate to sufficiently explore this deposit.

Signed

W. F. Dietrich

Mr. Leitler

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 18 1953

MONTHLY REPORT

2579
~~[illegible]~~ Idm-459 (-13a) [illegible]

[illegible] Wise Industries, Inc., c/o Frank Sherman, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking continues very slowly on this project. Only about 3 feet of shaft has been accomplished since April 14, 1953 and several factors are responsible for this slow progress: recent heavy rains, pump failures, and general round conditions at the [illegible] foot level in the mine. The operator was advised at time of last visit that continued flushing action by infrequent pumping would continue to cause trouble until hard ground or pegmatite is encountered. Another pump is being obtained, which should provide a standby. Material removed recently is a micaceous, silty schist.

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

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

May 7, 1953

Noted
5/19/53
BF

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
WASH
MAY 14 1953

May 12, 1953

Memorandum

To: J. L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Officer, Region VII, Knoxville, Tennessee

Subject: Monthly Reports and Vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E-459 Mica Industries, Inc.
Docket No. DMEA-2579
3rd payment - month of April
Amount $1166.40

Idm-E-420 Everett L. Poston and R. N. Poston
Docket No. DMEA-2561
3rd payment - month of April
Amount $1338.75

Idm-E-454 Schroeder Company
Docket No. DMEA-2634
5th payment - month of April
Amount $3949.87

Helen R. Miller

Enclosures
CC: R. A. Laurence
W. A. Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of APRIL, 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. (Assigned from Bauer Mining) Minerals MICA
Address P. O. Box 336 FRANKLIN, N. C.
Contract Amount, $ 9,100.00 Government Participation: 90 % Amount, $ 8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		175.00	175.00			
Crosscutting						
Drifting						
Shafting	1080.-	600.00	1680.00			
(2) Labor and Supervision:						
Labor						
Supervision		36.00	36.00			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber	216.00	120.00	336.00			
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	1296.-	931.00	2227.00	1,296	931.00	2,227.00

I certify that the above bill is correct and just and that payment therefor has not been received.
Date May 2, 1953 *Payee MICA INDUSTRIES INC.
Per Frank Fiessula Title PRESIDENT

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

129.60

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

$1,166.40

Signature Cora A. Piper
(Authorized Certifying Officer)

Date MAY 8 1953 Vou. No. 160
(See other side)

3

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date May 5, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Wm. A. Beck Title ACTING EXECUTIVE OFFICER DMEA REGION VII Date MAY 8 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of APRIL 1953 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name MICA INDUSTRIES INC. (Ass'd from Bauer Mining Co.) Minerals MICA
Address P. O. BOX 336 FRANKLIN, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	1080.-	27	1680.-	42	1680.-	75	40.00
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Hr.			175.00	17½	175.-	20	10.00
~~Test Pits~~ Labor etc.	Hr.			36.00	24	36.00	24	1.50
Roads and Trails								
Timbering	Ft.	216	27	336.00	42	336.00	75	8.00
TOTAL DISTRIBUTED COSTS		1296.00		2227.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1296.00		2227.00				

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

Date May 2, 1953 Operator MICA INDUSTRIES INC.

Per Frank Dierauer Title PRESIDENT

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

5/2/53 MF-19AA MEGA INDUSTRIES INC. P.O.BOX 396 FRANKLIN, N.C.

DOCKET NO. DMEA-0379 CONTRACT NO. I4m-E 459

NOTE: CONTRACT ASSIGNED FROM BAKER MINING CO., TO MEGA INDUSTRIES - APRIL 27, 1953.

PROGRESS REPORT - APRIL 1953

Work Accomplished

Continued shafting in accordance with terms and conditions of Contract.

Footage made during the period was low because:

1. Very bad ground; thin and "soupy".
2. Breakage of 3 pumps.

Ground pressure has become very strong but completed shafting and timbering 27 additional feet, to a total depth of 42 feet.

Cost of work performed

27' Shafting @ $40.00	$1080.00
27' Timbering @ $8.00	216.00
TOTAL	$1296.00

It is hoped that mica will be encountered within 6' to 12' of further shafting, and that the formation will become harder.

- - -

RECEIVED
MAY 3 1953
U.S. BUREAU OF MINES
DEF. MINL ADM.
Knoxville, Tennessee

IN REPLY REFER TO:
G-MD-CBM

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

April 27, 1953

Defense Minerals Administration
RECEIVED
APR 28 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2913 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey
Applicant: Mica Industries, Inc., Box 336, Franklin, North Carolina.
Name of property: Baird Cove and Baird-Smith.
Location of property: Macon County, North Carolina.
Date of field team report: April 13, 1953.
Authorship of field team report: Laurence and Beck.
Field team's recommendation: Denial.
Comments: This application was a proposal to expand the work now being done under Idm-E459, DMEA-2579.
ACTION SUGGESTED:
Follow field team's recommendation.

J. J. Norton

Norton:jeh
4/27/53
cc: Director's reading 4212
Branch read. 4212
DMEA 3
files G-232

My file

[illegible] 1953

[illegible]

[illegible]-2779 [illegible] (Lice) [illegible]

[illegible] Mine Industries, Inc., c/o [illegible] Clarke, Franklin, [illegible]

LOCATION: 1 mile [illegible] 70° of Franklin, [illegible] County, [illegible] and on the west side of Cranberry [illegible].

Shaft sinking continues on this project and is now down to 42 feet. Material encountered during last 20 feet was mostly principally a sandy silt from highly weathered mica schist. The mine was not working at time of visit because of a pump breakdown. Water was standing for 4 feet in the shaft. The necessity for keeping the mine dry at all times in this type ground was called to the attention of the operator.

[illegible] Larrabee, Commodity Specialist, U. S. Geological Survey, accompanied the field examiners on this visit to the mine.

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

[illegible] Jenque, Geologist
U. S. Geological Survey

April 24, 1953

noted
6/11/53
SF

5/4/53

March MF104 shown to Mr Kane re payments before execution of transfer agreements.

He says he called Mr Chambers who will continue the investigation of the propriety of such payments

SF.

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

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

Mr. Feitler

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

Month of MARCH 1953 Docket No. DMEA 2579 Contract No. Idm-1 459
Operator's Name BAUER MINING COMPANY Minerals MICA
Address P. O. Box 336 Franklin, N. C.
Contract Amount, $ 9,100.00 Government Participation: 90 % Amount, $ 8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling		175.-	175.-			
Bulldozing						
Crosscutting						
Drifting Shafting	600.-		600.-			
(2) Labor and Supervision:						
Labor						
Supervision		36.-	36.-			
Technical Services						
(3) Operating Mat'ls. and Supplies:	120.-		120.-			
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	720.-	211.00	931.-	720.00	211.00	931.00

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

Date APR 4/10/53 *Payee BAUER MINING COMPANY

Per Frank Siesma Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 648.00

Signature Cora A. Piper
(Authorized Certifying Officer)

Date APR 20 1953 Vou. No. 145

(See other side)

7200

2

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title U.S.B.M. Mining Engr. Date April 13, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Laurence Title EXECUTIVE OFFICER DMEA REGION VII Date APR 16 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form ME-104A
(April 1952)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of MARCH 1953 Docket No. DMEA 2579 Contract No. Idm-E 459

Operator's Name BAUER MINING COMPANY Minerals MICA

Address P.O. BOX 396 FRANKLIN, N. C.

OPERATION	Unit	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	Ft.	600.-	15	600.-	15	600.-	75	~~30.00~~ 40.00 C.P.
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Hr.			175.-	17½	175.-	20	10.00
~~Transports~~ Labor etc.	Hr.			36.-	24	36.-	24	1.50
Roads and Trails								
Timbering	Ft.	120.-	15	120.-	15	120.-	75	8.00
Total Distributed Costs		720.-		931.-				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		720.-		931.-				

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

Date 4/30/53 Operator BAUER MINING COMPANY

Per Frank Sierma Title Partner

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Remarks:

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

4/10/53 MF-104A BAUER MINING COMPANY BOX 336 FRANKLIN, N.C.

PROGRESS REPORT - MARCH 1953. DOCKET NO. DMA 2579 Idm-E 459

Work Accomplished

Moved in, erected and installed:

Hoist, Pump, Boom, Tool House (10' x 16'), floored ground, installed piping, electric line & power, dug trenching to dispose of water into branch.

Constructed 15 feet of shaft, fully timbered, with manholes; in accordance with contract.

Cost of Work Performed

15 feet of Shafting @ $40.00	$ 600.00
15 feet of Timbering @ $8.00	120.00
	$ 720.00

Work is progressing very satisfactorily. Setting-up of equipment and machinery is about completed. Future work will be on shafting.

- - - - -

Mr. Feitler

[redacted]

INTERIM REPORT

IMSA-2579 Idm-E459 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Sierema, Franklin, N. C.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, North Carolina and on the east side of Crawford Branch.

Shaft sinking continues on this project and is now down to 19.5 feet. The shaft has begun to make water and contained about 5 feet at time of visit. Operators have purchased a new 2 hp electric pump with 100 ft. head for use during shaft sinking. The shaft has been cribbed solid for entire depth. A straight leg, boom pole was being erected as a hoisting frame and shaft work was suspended temporarily.

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

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

April 10, 1953

noted 4/27/53

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

cc: Beck
Lynch
Opr.Com-1
Files

File 2579

April 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 15 1953

Memorandum

To: Operating Committee, DMEA-Washington

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

Subject: Docket No. DMEA-2913 (mica) Baird Cove and Baird-Smith Mine, Applicant: Mica Industries, Inc., Franklin, N. C. Macon County.

This application is directed towards enlarging the scope of exploration on this property already in progress by the Bauer Mining Company (Now Mica Industries, Inc.), Contract No. Idm-E459, Docket DMEA-2579.

Excerpts from the Field Examination Report on subject mine, dated September 16, 1952 are as follows:

"Two or more pegmatites have been worked on this property. Samples of mica collected from the eastern workings and appraised at the Spruce Pine Mica Depot, indicate that approximately 80 percent of it is non-strategic, either because of color or mineral spots. Therefore, this portion of the property should not be considered for exploration."

Two of the three proposed shafts are in the eastern pegmatite, work on which has already been denied (Shafts Nos. 3 and 4). Proposed shaft No. 2, location is shown in low ground near the small stream east of the western pegmatite. There is no assurance that pegmatite occurs in that area as small prospect pits, only a short distance to the east are in wall rock.

The Field Team is of the opinion that the work covered by contract No. Idm-E459 is adequate to sufficiently explore this deposit; therefore, we recommend that no additional assistance be granted.

Robert A. Laurence, Executive Officer
DMEA - Region 7

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

R.T/zm

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Room 13, Post Office Building
Knoxville 2, Tennessee

DOCKET COPY

April 9, 1953

Mr. Frank Sierema
Mica Industries, Inc.
P. O. Box 336
Franklin, North Carolina

Re: DMEA-2579, Ldm. E-459
Baird Cove Mine (Mica)
Bauer Mining Company

Dear Mr. Sierema:

Because of the cancellation of the original lease on the Baird Cove property, it is necessary for both partners of Bauer Mining Company to sign a new Assignment of Contract and for the President of Mica Industries, Inc. to sign a new Assignee's Acceptance. Six copies of this are enclosed. Please sign them in the appropriate places, having the acceptance notarized, send them to Mr. Bauer for his signature and ask him to forward all the copies to me. Please fill in the appropriate date on line 2 of page 2 on all six copies before signing.

I have not yet received the earlier set of similar documents which you signed on March 13 and forwarded to Mr. Bauer. These should be returned to me, whether or not they have been signed.

The history of this lease presents a situation which causes much delay and inconvenience. It is difficult to understand why, as in this case, 3 partners were sufficiently interested to form a company (B-N-C Mica Co., the original applicant) to explore this mine in June 1952, but shortly after our field examiners reported favorably on the exploration project, two of the original applicants lost interest, and the third applicant formed a new company with another partner. Two days after the contract had been executed on December 11, 1952, the third original applicant also lost interest and the lease and contract were assigned to a new company. Thus, in a little over six months' time, there have been five different re-assignments of this original lease. It would certainly save everybody a lot of time and work if the people who originally apply for assistance would stay with a project until it is completed.

RAL/mg

cc - Beck
Lynch
Operating Committee

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region VII

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

COPY ~~WASHINGTON 25, D.C.~~ COPY

Room 13, Post Office Building
Knoxville 2, Tennessee

April 9, 1953

Mr. Frank Siersma
Mica Industries, Inc.
P. O. Box 336
Franklin, North Carolina

Re: DMEA-2579, Idm-E-459
Baird Cove Mine (Mica)
Bauer Mining Company

Dear Mr. Siersma:

Because of the cancellation of the original lease on the Baird Cove property, it is necessary for both partners of Bauer Mining Company to sign a new Assignment of Contract and for the President of Mica Industries, Inc. to sign a new Assignee's Acceptance. Six copies of this are enclosed. Please sign them in the appropriate places, having the acceptance notarized, send them to Mr. Bauer for his signature and ask him to forward all the copies to me. Please fill in the appropriate date on line 2 of page 2 on all six copies before signing.

I have not yet received the earlier set of similar documents which you signed on March 13 and forwarded to Mr. Bauer. These should be returned to me, whether or not they have been signed.

The history of this lease presents a situation which causes much delay and inconvenience. It is difficult to understand why, as in this case, 3 partners were sufficiently interested to form a company (B-N-C Mica Co., the original applicant) to explore this mine in June 1952, but shortly after our field examiners reported favorably on the exploration project, two of the original applicants lost interest, and the third applicant formed a new company with another partner. Two days after the contract had been executed on December 11, 1952, the third original applicant also lost interest and the lease and contract were assigned to a new company. This, in a little over six months' time, there have been five different re-assignments of this original lease. It would certainly save everybody a lot of time and work if the people who originally apply for assistance would stay with a project until it is completed.

RAL/mg
cc- Beck
Lynch
Operating Committee

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region VII

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

Apr 9 1953

Mr. Frank Siersma, President
Mica Industries, Inc.
P. O. Box 336
Franklin, North Carolina

Re: Docket No. DMEA-2913 - Mica
Baird-Cove and Baird-Smith Mine
Macon County, North Carolina

Dear Mr. Siersma:

Reference is made to the subject application for exploration assistance for additional work at the Baird-Cove and Baird-Smith Mine.

Your application, DMEA-2913, will be considered as an application for an amendment to your present Contract Idm-E459. The field team will evaluate the work proposal to do additional work under your present contract, and will prepare an amendment if it is justified.

Sincerely yours,

/s/ C. O. Mittendorf

Administrator

LGHouk:gad 4/7/53

Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Larrabee, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

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

Apr 7 1953

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

Subject: Docket No. DMEA-2913 - Mica
Mica Industries, Inc.
Baird-Cove and Baird-Smith Mine
Macon County, North Carolina

Dear Mr. Laurence:

Reference is made to the subject application for exploration assistance and the exploration by the Bauer Mining Company, Contract No. Idm-E459, Docket No. DMEA-2579, at the Baird Cove Mine. Please submit the comments of the Field Team on the proposal for additional exploration as presented in the subject application.

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Sincerely yours,

/s/ George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ J. H. Hedges

Member, Bureau of Mines

/s/ A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 4

SAFeitler:gad 3/27/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Mr. Fitter

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

APR 6 1953

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

Re: Bauer Mining Company (Miea)
Docket No. DMEA-2579
Mason County, North Carolina
Contract No. Idm-8439

Dear Mr. Laurence:

After our letter to you of March 4, in which we enclosed copies of an Assignment of Contract, Assignees' Acceptance, and Government's Consent thereto, you forwarded to the Operating Committee with your memorandum of March 16, 1953, a copy of a cancellation, dated December 13, 1952, of the lease referred to in the Assignment. This necessitates the amendment of the documents originally sent to you, and, accordingly, we are enclosing for execution a new set of these documents signed by the Acting Administrator.

In these forms please fill in the date when the lease was assigned by Frank Sierema to Miea Industries, Inc., and the address of this corporation.

Please destroy all copies of the documents originally sent to you and do not release these new instruments until all copies have been executed by the Operator and the Assignee. Then you may forward them to those concerned in the usual manner.

AEKane/cm 3/26/53
Copy to: Mails & Files
Adm. R. File
Op. Comm.
J. H. Hedges
L. P. Thayer
L. G. Houk
J.L.Hofflund

A.E.Kane
chron.
pending

Enclosures

Sincerely yours,

George A. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
~~Member, Bureau of Mines~~

A. H. Koschmann, Jr.
Member, Geological Survey

Mr. Fuller

INTERIM REPORT

IMEA-2579 Idm-E459 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Sierman, Franklin, North Carolina.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, N. C. and on the east side of Crawford Branch.

Shaft sinking on this project has begun and is now down about 4 feet. Platform timbers have been set and the shaft cribbed with 3" x 6" sawed timbers to the bottom. A tool house has been constructed and timbers necessary for shaft work are on location. Material encountered during shaft sinking was a highly weathered micaceous schist.

Mr. W. A. Beck, a member of the IMEA Field Team, accompanied the Field Examiners on this visit to the mine.

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

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

March 23, 1953

Noted
4/10/53
SF

Mr. Luther

INTERIM REPORT

IMEA-2579 Idm-2469 (mica) BAIRD COVE MINE

OPERATOR: B-N-C Mica Company, c/o Bernard Bauer, P. O. Box 509, Franklin, North Carolina.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, North Carolina and on the east side of Crawford Branch.

Mr. R. A. Laurence, Executive Officer of Region VII, IMEA, accompanied the field examiners on the visit to this project. Excavation of mine site, which consisted of trenching by bulldozer, has been completed, as of January 1, 1953 and no additional work has begun. Purpose of this visit was to stake shaft location in the presence of one of the operators. Mine timbers have been moved to the job and the field examiners have been advised that shaft sinking will begin in the near future.

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

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

March 12, 1953

Noted
3/24/53
SF

C
O
P
Y

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

WASHINGTON 25, D. C.

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

March 9, 1953

Memorandum

To: Operating Committee, D M E A Washington

From: Executive Officer, DMEA - Region 7

Subject: DMEA-2579, Idm-E459; Bauer Mining Co. (mica).
DMEA-2913, Mica Industries, Inc. (mica)

Your letter of March 4, with 6 copies of Assignment of Contract, Assignee's Acceptance and Government's Consent, for assignment of Idm-E459 to Mica Industries Inc., has been received.

We have also received, from Mr. Adams, a copy of an application, DMEA-2913, from Mica Industries, which covers the same property as DMEA-2579, Idm-E459. Furthermore, the new application contains copy of a lease dated December 13, 1952, from Paul L. Grist and Eliza Cobb Grist to Bernard Bauer and Frank Siersma, but the earlier contract is accompanied by a lease on the same property dated April 29, 1952, from Paul L Grist and Eliza Cobb Grist to Zeb Angel and Neil Childers, which was transferred on May 12, June 12 and 14, 1952 to Charles W. Nicol and Bernard Bauer; Nicol's half interest being transferred to Frank Siersma on August 14, 1952. Obviously both these leases cannot be valid.

As Mr. Teague and I plan to be in Franklin, N. C. next Friday (March 13), we will see Siersma and try to straighten out this confusion. If we can do so satisfactorily, we will then obtain the necessary signatures on these instruments and distribute them in the usual manner.

/s/ Robert A. Laurence

Robert A. Laurence

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

140

MAR 4 1953

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

Re: Bauer Mining Company (Mica)
Docket No. DMEA-[illegible]
Contract No. Idm-[illegible]

Dear Mr. Laurence:

Reference is made to your letter of February 16, 1953, to the Operating Committee regarding the Bauer Mining Company and enclosing a letter from Frank Sierams which states that his half interest in the lease of the property, which is the subject of the exploration project, has been transferred to Mica Industries, Inc. and that that Corporation also has an option to purchase the half interest of the other partner, Bernard Bauer.

In accordance with your request, we are enclosing six copies of an Assignment of Contract, Assignee's Acceptance and Government's Consent, the last being signed by the Administrator. In the forms, please fill in the dates when the lease was assigned to the Corporation by Frank Sierams, and when it obtained the option from Bernard Bauer, and the address of the Corporation itself. Do not release these instruments until all copies have been executed by the Operator and the Assignee and then you may forward them to those concerned in the usual manner.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

AEKane/ema/ 3-3-53
cc: Mails & Files
Adm. R. File
Mr. Thayer
Mr. Hedges
Mr. Houk
J. L. Hofflund
A. E. Kane
Op. Comm.
Chron.
Pending

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Lemmon
Member, Geological Survey

Mr. Feathe

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 15 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
XXXXXXXXXXXXXXXXXXXX

Room 13, Post Office Building
Knoxville 2, Tennessee

January 8, 1953

Frank Siersma
Bauer Mining Co.
Box 336
Franklin, N. C.

Re: DMEA-2579, Idm-E459 (mica)

Dear Mr. Siersma:

Your December voucher for work under exploration contract Idm-E459 has been received, approved, and forwarded to the Finance Office for payment of $189.90 (90% of $211.00).

Please submit with your next month's voucher a receipted invoice for $175.00 for bulldozer rental. This will be necessary in accordance with auditing requirements.

Very truly yours,

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

RAL/zm
cc:
Beck
Lynch
Norris-3
Files

12/12/52

Form MF-164 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of December, 1952 Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name Bauer Mining Company Minerals MICA
Address P. O. Box 336 Franklin, N. C.
Contract Amount, $ 9,100.00 Government Participation: 90% Amount, $ 8,190.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	$175.00	-	$ 175.00	175.00	—	175.00
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision	36.00	-	36.00	36.00		36.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	211.00		$ 211.00	211.00		211.00

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

Date 1/2/53 *Payee Bauer Mining Company

Per Paul Bauer Title Partner

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

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

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

$ 189.90

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

21.10

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E459 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title U.S. BM Mining Engr. Date Jan. 6, 1953

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Date JAN 8 1953

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GPO 83-38476

Form MF-[illegible]A
(April 1952)

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 1[illegible] 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of December 195____ Docket No. DMEA 2579 Contract No. Idm-E 459
Operator's Name BAUER MINING COMPANY Minerals Mica
Address P. O. BOX 336 FRANKLIN, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Hr.	$175.00	17½	$175.00	17½		20	$ 10.00
Test Pits	C.Y.		340 cy	211.60	340 cy	62¢		62¢
Roads and Trails								
Labor & Supervision	Hr.	36.00	24	36.00	24		24	1.50
TOTAL DISTRIBUTED COSTS		$211.00		$211.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$211.00		$211.00				

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

Date 1/2/53 Operator Bauer Mining Company

Per Frank Siesowa Title Partner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

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

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

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

GPO 83-38475

1/2/53 FORM MF-104A BAUER MINING COMPANY P.O. BOX 336 FRANKLIN, N.C.

OPERATOR'S PROGRESS REPORT - DECEMBER 1952 DMEA-2579 Idm-E 459

Work Accomplished

Due to the terrain of the ground, and nearness to road of proposed trenching, a slight change from the intended work to be done in Stage 1 - was made with approval of the Field Team. A trench approximately 15 feet wide at the North end and 20 feet wide at the South end, to an approximate depth of 7 feet, has been completed; prepared to allow for suitable drainage. The vein has been exposed at the North end of strip. Property is in condition for shafting. 340 c.y.

Daily Notes

Dec. 30. Bulldozer moved in and started work.

Dec. 31. Bulldozing continued.

Jan. 1. Bulldozing completed.

Cost of work performed

Macon Mica Company, Franklin, N. C.

17½ hrs. bulldozing @ $10.00 per hr.	$ 175.00
Norman Mashburn, Franklin, N. C.	
24 hrs. Labor & Supervision @ $1.50 hr.	36.00
TOTAL COST	$ 211.00

STAGE 1 HAS BEEN COMPLETED IN ACCORDANCE WITH CONTRACT.

STAGE 11 WILL COMMENCE AFTER VISITATION BY FIELD TEAM.

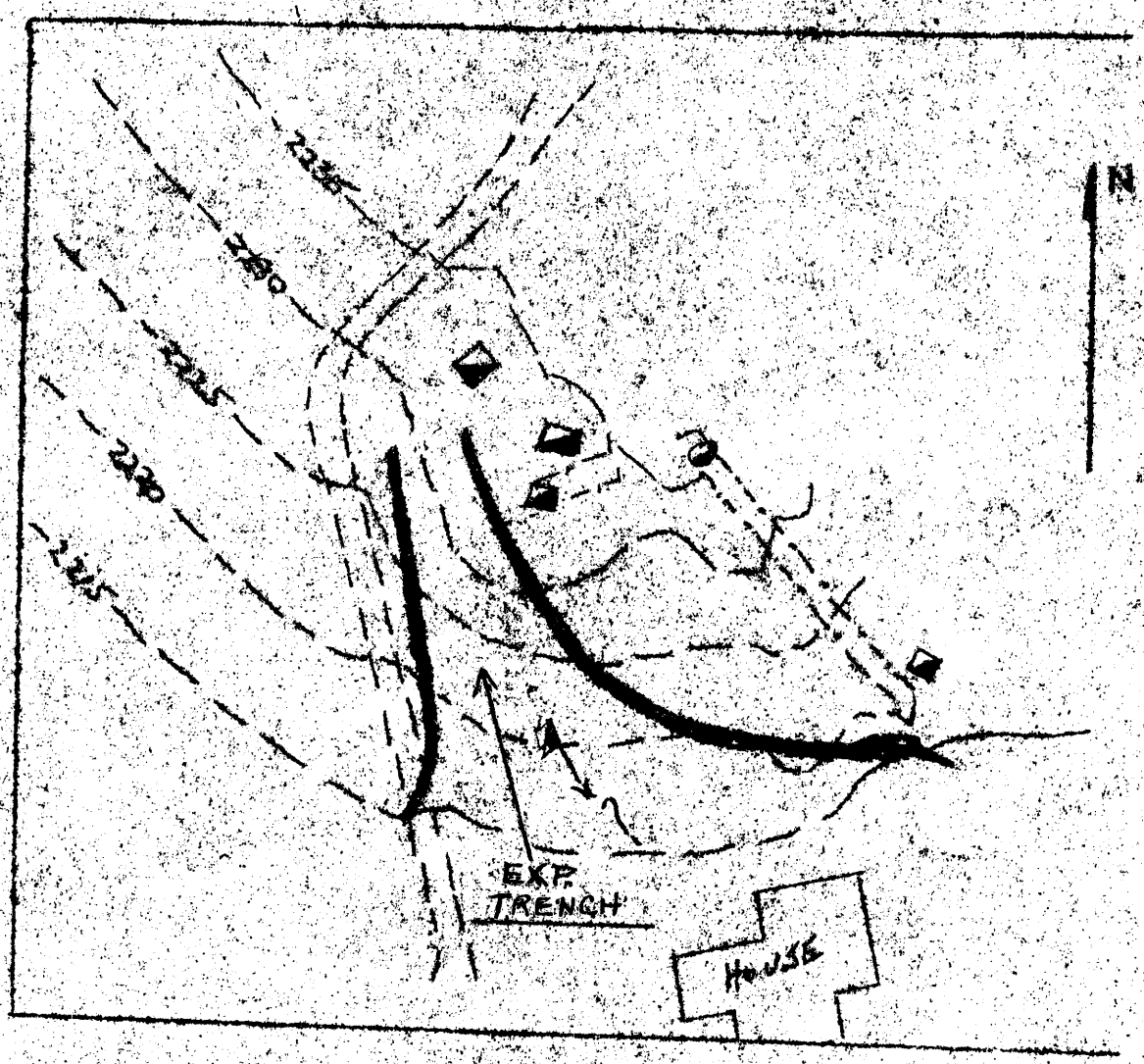
- - - - - - - - -

1/2/53 MF-104A BAUER MINING COMPANY P.O. BOX 336 FRANKLIN, N. C.

OPERATOR'S PROGRESS REPORT FOR DECEMBER 1952 DMEA-2579 Idm-E 459

SKETCH - COMPLETED WORK - - - STAGE 1.

- - - - - - - - - -



60 JAN 14 1953

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

Subject: Docket No. DMEA-2579 - Mica
Bauer Mining Company
Baird Mica Mine
Mason County, North Carolina
Contract No. IDm-3439

Dear Mr. Laurence:

Reference is made to the subject contract for exploration at the Baird Mica Mine, Mason County, North Carolina.

We enclose the undated Owner's Consent to Lien from the Government's copy of this contract. December 10, 1952 (or an earlier date) should be inserted in the indicated spaces above their signatures and initialed by Mina Cobb Grist and Paul L. Grist.

Please return the completed form to this office. The correct date may then be inserted in the other copies of the Owner's Consent to Lien.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures (1)

Gwilliams:fla 1/9/53

Copy to: Admr. N. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 Bldg.
Mr. Houk

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 16 1953

INTERIM REPORT

DMEA-2579 Idm-2459 (mica) BAIRD COVE MINE

OPERATOR: B-M-C Mica Company, c/o Bernard Bauer, P. O. Box 509, Franklin, North Carolina.

LOCATION: 1½ miles N 70° W of Franklin, Macon County, North Carolina, on the east side of Crawford Branch.

Purpose of this visit to the mine was to clarify to the operator Stage I of the exploration. Norman Mashburn accompanied the field examiner on this visit. Trenching is expected to begin December 30 and will consist of a maximum of 20 hours of bulldozing a trench, which will be 12 feet in width and an undetermined length. Dumping of excavated material will be east of the proposed mine site.

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

December ~~30~~ 29, 1952

noted 1/22/53

Mr. Lecton

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS ADMINISTRATION
~~XXXXXXXXXXXXXXXXXXXX~~
WASHINGTON 25, D. C.
Room 13, Post Office Building
Knoxville, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

December 29, 1952

Mr. Frank Sierema
Box 336
Franklin, N. C.

Re: DMEA-2579, Idm-E459 (mica)
Bauer Mining Co.

Dear Mr. Sierema:

We have received the 5 copies of the subject exploration contract, signed by you and Mr. Bauer.

Please note that Article 3 calls for beginning the project by January 10, 1953. If for any reasons, you cannot start by then, please let me know before that date, so that an amendment may be prepared. It will be appreciated if you will drop me a note stating the date on which work actually begins.

Sincerely,

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

RAL/xx

ccs
Beck
Lynch
Files-2

600

DEC 11 1952

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

Subject: Docket No. DMEA-2379 - Mica
Bauer Mining Company
Cullasaja, North Carolina
Baird Mine
Macon County, North Carolina

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.

Trenching, a five foot sump, and ten feet of level work have been added to the program proposed by the Field Team.

The time to be allowed for starting and completing the contract should be inserted in Article 3 of the contract, and the amount of the Government's lien and the date of the instrument's execution should be inserted in the Owner's Consent to Lien. The date of execution must precede that of the contract.

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. Please explain to the Operator that this is a firm contract to complete the work outlined in the contract for his own account should his per foot costs exceed the unit costs provided in the contract.

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,

Ernest Wm. Ellis

Acting Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

Enclosures 6

SAFeitler:gad 12/10/52
Copy to: Admr. R. File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

November 17, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Resume - Docket No. DMA-2579 - Mica
Bauer Mining Company, Baird Mine
Cullasaja, North Carolina
Macon County, North Carolina

Conclusions:

The Western part of the property contains strategic mica and merits exploration.

Contract should provide for Government approval of the foreman as applicant is not experienced in mining.

Recommendation:

Attached contract, providing $9,100.00 for trenching, shaft sinking, drifting, and crosscutting should be approved.

Application received 6/11/52
Proposes to relocate stream, excavate a trench 500 feet long by 60 feet deep by 20 feet wide at the bottom - a total of approximately 89,000 cubic yards at a cost of $19,874.50.
U.S.G.S. memo 6/17/52
Refer to field.
U.S.B.M. memo 7/31/52
Refer to field.
Referred to field 8/12/52.
Letter from Applicant received 9/15/52
Neil Childers has withdrawn.
(This leaves Bauer & Nicol)
Field report received 9/19/52
Recommends a shaft with drifts and crosscut.
U.S.G.S. memo. received 9/29/52
Concurs with field team.
Letter of inquiry from applicant 10/6/52.
U.S.B.M. memo.. received 10/8/52
Concurs with field team.

Letter to applicant 10/10/52 requesting clarification of names and rights of operators.
Letter from applicant received 10/15/52
Supplying needed information and agreements.
Letter from applicant received 10/20/52.
States that new operator will be Forrest Bauer and Frank Sierens, a partnership, doing business as Bauer Mining Company. Attached are copies of the agreements to cover this new arrangement.
Telephone discussion 10/24/52 with Sangue, Region VII, regarding trenching and the program proposed by the field team.
U.S.G.S. memo. Received 10/30/52
No additional action by U.S.G.S. necessary.
Attached contract prepared 11/10/52.
To legal 11/17/52

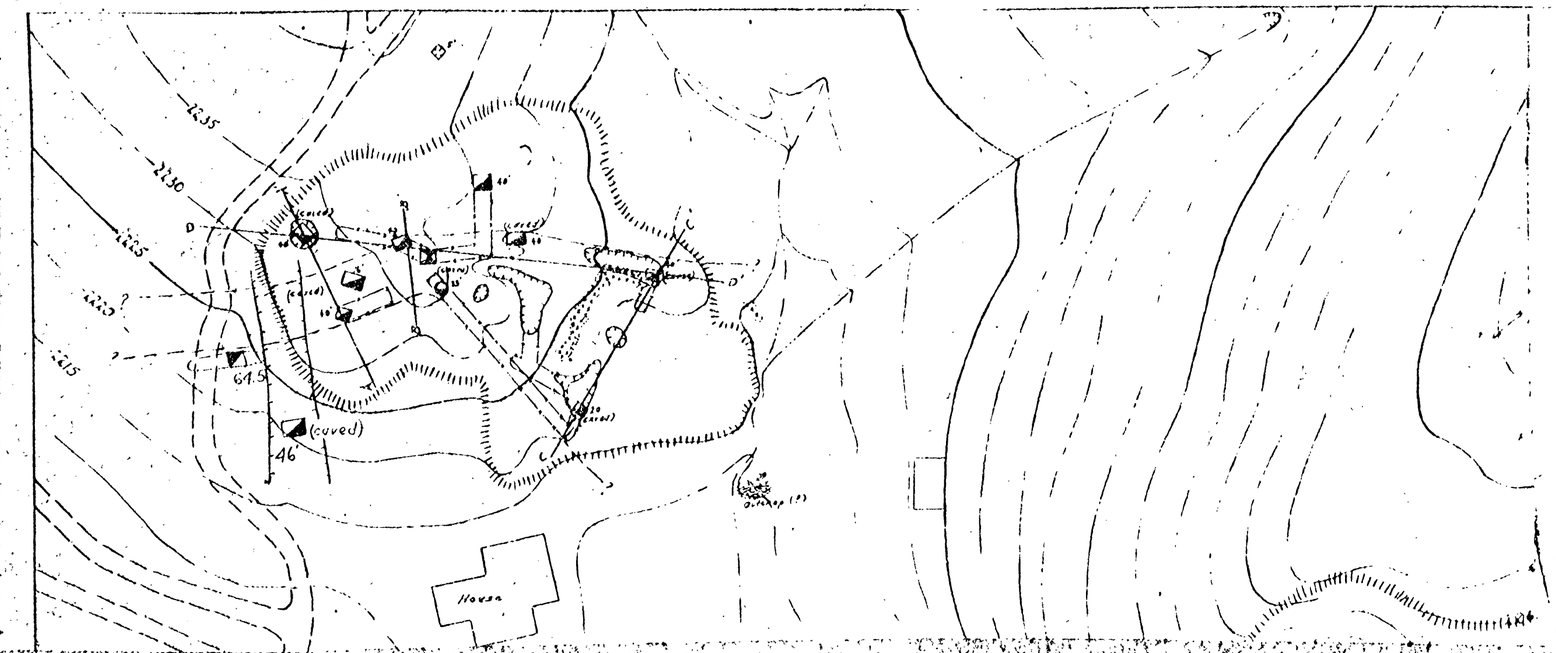
Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:fls

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

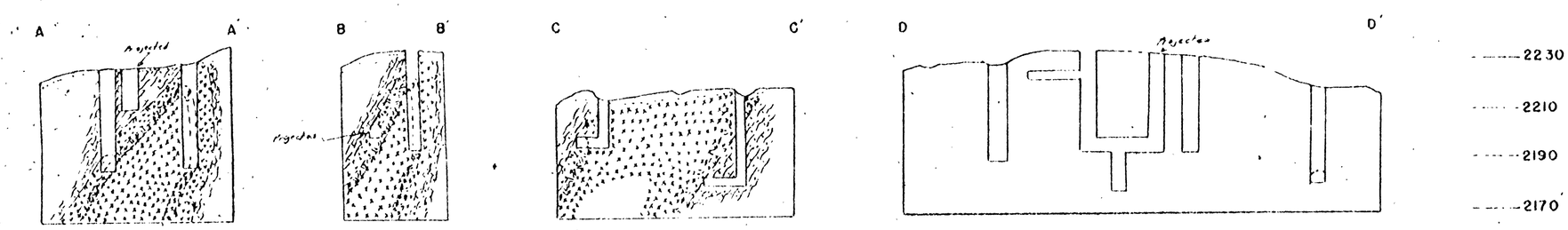
UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERAL INVESTIGATIONS
PRELIMINARY MAP



EXPLANATION

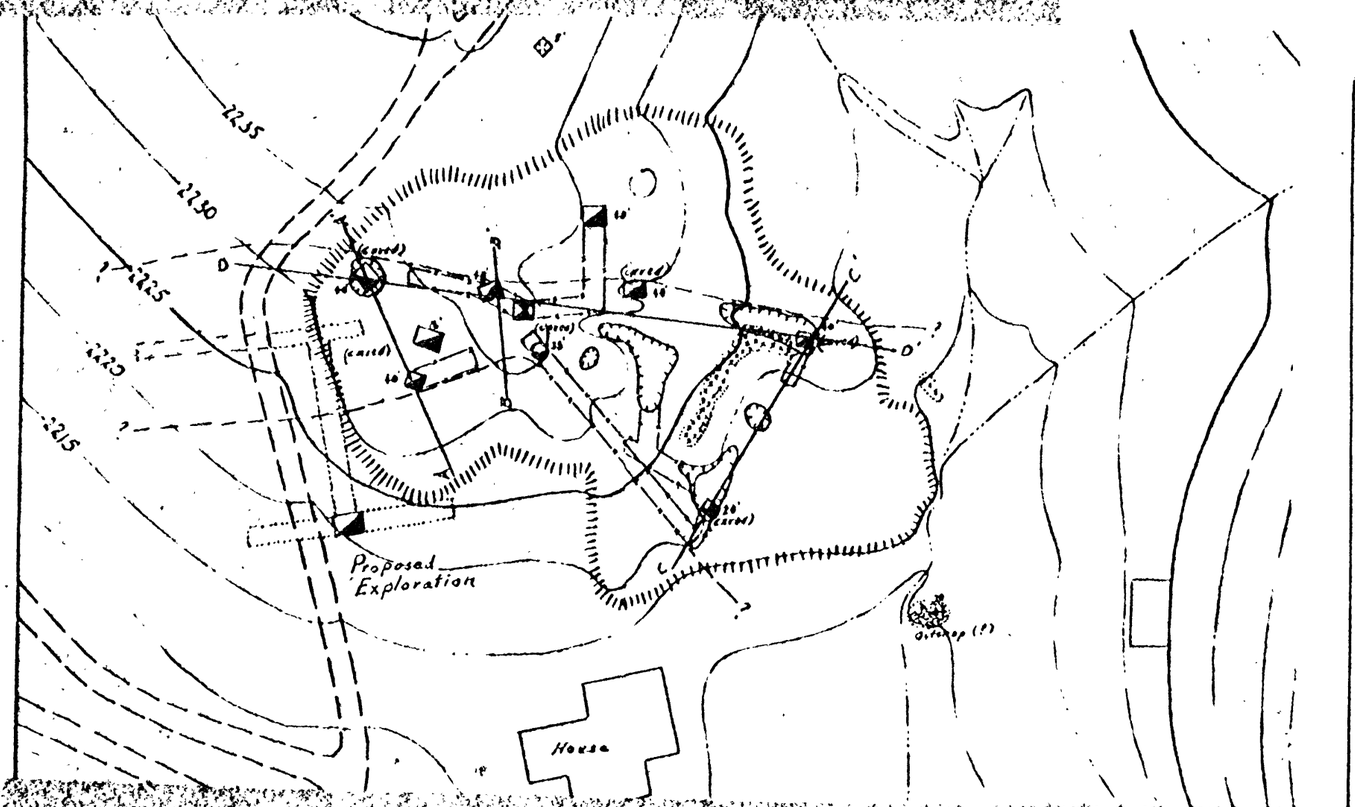
- Sheet-mica zone
- Quartz
- Barren pegmatite
- Biotite gneiss
- Backfill
- Geologic boundary, inferred



SECTIONS THROUGH REPORTED WORKINGS
FROM DESCRIPTIONS BY F. WILLIS, SUPT.

BAIRD MICA MINE
MACON COUNTY, N.C.

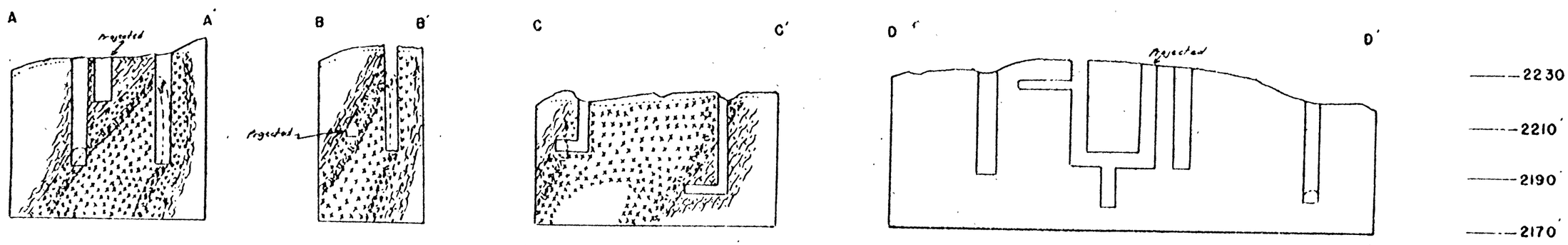
0 20' 60'



EXPLANATION

- Sheet mica zone
- Quartz
- Barren pegmatite
- Biotite gneiss
- Backfill
- Geologic boundary, inferred
- Proposed drift or crosscut

N



SECTIONS THROUGH REPORTED WORKINGS

FROM DESCRIPTIONS BY F. WILLIS, SUPT.

BAIRD MICA MINE

MACON COUNTY, N.C.

0 20' 40'

DMEA-2579