MME Form 9
Rev. Mar. 59

UNITED STATES
DEPARTMENT OF THE INTERIOR
Office of Minerals Exploration

OFFICIAL DOCKET FILE

Contract No. 14-23- 459 Docket No. MME- 2579

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [x] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [x] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [x] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [x] Cost Audits
- [x] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [x] Contract Amendments
- [x] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty Material

52615

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E459, Docket DMEA-2579 (mica), dated December 12, 1952, with

Bauer Mining Company
P. O. Box 336, Franklin, North Carolina
and its assignee
Mica Industries, Inc.
c/o Mr. John T. Fizzano, General Manager
Minerals Processing Company
Crum Lynne, Pennsylvania

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as the Baird Mica Mine located in Macon County, North Carolina, during the period December 12, 1952, through April 21, 1961.

In accordance with Article 4 of a termination agreement dated November 14, 1955, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 10 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated February 1, 1956, indicated accepted costs under the exploration contract amounting to $3,180.13 with the Government's contribution, on a 90 percent basis, being $2,862.12.

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

This review disclosed no sales of production for the period; therefore, at April 21, 1961, the royalty account of this project was found to be:

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

E D Talbert

October 27, 1961

E. D. Talbert, OME Auditor

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The original Operator under this contract, the Bauer Mining Company, was a partnership composed of Bernard Bauer, Cullasaja, North Carolina, and Frank Siersma, P. O. Box 336, Franklin, North Carolina. On April 27, 1953, the partnership assigned the contract to Mica Industries, Inc., whose address was then Franklin, North Carolina, and whose president was Frank Siersma. The assignment included the assignor's consent "to any and all future amendments to the said contract". The Government consented to the assignment "without releasing the Operator from any of the terms, provisions, and conditions of the said Exploration Project Contract".

Although no certification of discovery or development was issued, the November 14, 1955, termination agreement waived the certification requirements and specifically provided that the Operator, as principal if the producer or as surety if not the producer, should pay the Government's percentage royalty under the same conditions as if a certification had been made. In an opinion dated July 30, 1956, the Associate Solicitor, Division of Mineral Resources, held that both the Operator-Assignors and the Operator-Assignee were bound by this provision of the termination agreement.

This same opinion, however, held that the payment of royalty was no longer secured by a lien on the land. The Owner's Consent to Lien, as executed on December 10, 1952, by Paul L. Grist and Eliza Cobb Grist, secured the payment of royalty "provided for under the terms of said exploration contract, or any amendment thereof which does not * * * * alter the provisions for repayment". The termination agreement altered the repayment provisions of the contract.

During the latter part of 1953 Mica Industries, Inc., became a wholly-owned subsidiary of Minerals Processing Company with address at that time at Franklin, North Carolina, but later at Crum Lynne, Pennsylvania. The Operator-Assignee subsequently went bankrupt and relinquished its lease of the property. The property thereafter was leased by Sam L. Phillips, who sold his lease to M. E. Burleson of Spruce Pine, North Carolina.

This review of the records disclosed no sales of production during the exploration work or thereafter through April 21, 1961. The only activity, since work under the contract was terminated in December 1953, has been some further prospecting and exploration work during 1958, 1959, and 1960, the last work reportedly being done by a Ralph Cunningham of Franklin, North Carolina.

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

(1) The files indicate that no production from the property has been sold since the date of the exploration project contract; and

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

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MINATION 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, Serial No. DMEA-2579, dated December 11, 1952, hereinafter called the "Contract," that:

1. Effective _____, 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 C. M. Mitchell
Administrator, Defense Minerals Exploration Administration

MICA INDUSTRIES, INC.

By H. C. Berger Pres.

Paul Simpson Pres.

Robin Dunn

Appd. Sol.

Contract
10/19/54

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) hereinafter 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. M. Beck

ACTING EXECUTIVE OFFICER
DMEA REGION VII

MICA INDUSTRIES, INCORPORATED

By: G. L. Lewis

President.

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 W. A. Beck
Acting Executive Officer, DMEA-Reg. 7

MICA INDUSTRIES, INCORPORATED

By Frank Sierema
Frank Sierema, President

Docket Copy

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DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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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. Lawrence
Executive Officer, DMEA-Region 7

MICA INDUSTRIES, INCORPORATED

By Frank Sierema
Frank Sierema, President

xx

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Active 7/8/53 Online

AMENDMENT NO. 2

Contract Docket No. DMEA-2579, Idm-E459 (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 Siersma
Frank Siersma, President

THE UNITED STATES OF AMERICA

Robert A Lawrence
Executive Officer, DMEA Field Team
Region VII

xx

United States
Department of the Interior
Defense Minerals Exploration Administration

AMENDMENT NO. 5

Contract Docket No. DMEA-2579, Idm-2459 (mica) dated the 11th day of December 1952, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Bumer 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 Sierema
Frank Sierema, President

THE UNITED STATES OF AMERICA

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

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Docket 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 Sierema 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

By Bernard Bauer

By Frank Sierema

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 22th 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

Extra

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 Sierema of Franklin, North Carolina (hereinafter called the "Operator"), entered into an Exploration Project Contract dated December 11, 1952, Contract No. Idm-2459, 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 Sierema; and

WHEREAS, Paul L. Grist and his wife, Eliza Grist, Bernard Bauer, and Frank Sierema, 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 Sierema 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 Sierema the exclusive right and option to purchase his interest in the aforesaid mining lease dated December 13, 1952; and

WHEREAS, the said Frank Sierema by an instrument dated _____, 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 _____.

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 _____, 1953.

BAUER MINING COMPANY

By_____

By_____

The Assignee, this _____ day of _____, 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 _____
President

On this _____ day of _____, 1953, before me _____, the undersigned officer, personally appeared _____ 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.

_____
Notary Public

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

(signed) FRANK E. JOHNSON

By _____
ACTING Administrator, Defense Minerals Exploration Administration

Extra Copy

ASSIGNMENT OF CONTRACT
ASSIGNEES' ACCEPTANCE
GOVERNMENT'S CONSENT

WHEREAS, the Bauer Mining Company, a partnership composed of Bernard Bauer of Cullasaja, N. C., and Frank Sierama of Franklin, N. C. (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 Chas. W. Nicol and Bernard Bauer; and

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

WHEREAS, the said Frank Sierama by an instrument dated _____, duly assigned his half interest in the said lease to Mica Industries, Inc., (hereinafter called the "Assignee") and the said Assignee by an instrument dated _____, procured an option to purchase the half interest of Bernard Bauer in said lease; 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_____ _____.

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 _____, 1953.

BAUER MINING COMPANY

By_____

By_____

The Assignee, this _____ day of _____, 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_____
President

On this _____ day of _____, 1953, before me _____, the undersigned officer, personally appeared _____ 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.

_____
Notary Public

The Government this 4th day of March, 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.

UNITED STATES OF AMERICA

By C D Mitteudorf
Administrator, Defense
Minerals Exploration
Administration

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

DOCKET No. DMEA 6-512

COMMODITY Mica

Docket 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 Siersma, 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 G.A.Jones, Comm., to M. D. Billings, Registered in Book A-4, page 192, 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, 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 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $6,390.00, which is 90 percent of $7,100.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided*, that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

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

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

(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.

THE UNITED STATES OF AMERICA

By C. Mutterdorf
Administrator, Defense Minerals Exploration Administration

Bauer Mining Company
(Operator)

By Bernard Bauer Partner
Partner

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
DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

[CORPORATE SEAL]

EXPLORATION PROJECT CONTRACT
BAUER 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 w/e 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 ofthe 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 production 3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ 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. E.G.G. PLB per SF.

Mrs. Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

U. S. Government Messenger Envelope

No. 65 Rev. (1957)

Bureau of the Budget Circular A-33 (Rev.)

65-104

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
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Use other side

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MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1-11	Holt	500
	Brunnell	500
1/11	Talbut	800
	Selbridge	120
1/11	Johnson	110
1-9	Fumich	100
		220

Mica Industries, Inc., Assignee
c/o Mr. John T. Fiszano, General Manager
Minerals Processing Company
Chester Pike and Angelo Avenue
Crum Lynne, Pennsylvania

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Gentlemen:

By the terms of the subject Exploration Contract, as amended, and the Termination Agreement dated November 14, 1955, all minerals mined or produced from December 11, 1952, to December 11, 1962, were subject to the Government's royalty as set forth in the said contract.

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

Sincerely yours,

George Fumich, Jr.

Director

SPHolt/mm
1-10-63
cc: Director's Reading File
Region IV (2)
CA&A Division
Docket
Code 500
Mr. Paul Grist and Mrs. Eliza~~beth~~ Cobb Grist,
Raburn Gap, Georgia

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1-11	Holt	500
	Sirsuel	500
1/11	Talbert	800
	Selfridge	520
1/11	Johnson	110
1-11	Fumich	100
		220

JAN 1 1 1963

Mr. Paul L. Grist
Mrs. Eliza Cobb Grist
Raburn Gap, Georgia

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Dear Mr. and Mrs. Grist:

Enclosed is a self-explanatory letter of today to the Operator under the subject contract.

This correspondence relates to the Owner's Consent to Lien signed by you on December 10, 1952, under the Defense Minerals Exploration program which has been succeeded by the Office of Minerals Exploration program.

Sincerely yours,

George Fumich, Jr.

Director

Enclosure

SPHolt/mm
1-10-63
cc: Director's Reading File
Region IV (2)
Docket
Code 500

43683

Form 7
(8)

OFFICIAL FILE COPY

Date	Surname	Code
		220

JUL 30 1962

Memorandum

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

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

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Enclosed for deposit to the subject DMEA account under symbol 14X4401 as a royalty receipt is an unnumbered check dated July 6, 1962, in the amount of $53.56, drawn by Ralph Cunningham, Franklin, North Carolina, on The Bank of Franklin, Franklin, North Carolina.

This check, which is drawn erroneously to the order of "U. S. Dept. of The Interior, Mica Industries Inc.", is in payment of royalty delinquently due the Government on December 1960 sales of production. Collection was effected by one of the landowners, Mrs. Elisa C. Grist, Rabun Gap, Georgia, in response to a June 28 payment request by the Director, OMK.

Enclosure

EDTalbert/ama 7-30-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2)

43683

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

OFFICIAL FILE COPY
JUL 27 1962

7/27 800
" 500
7/31 500
JUL 18 1962
220

Mr. W. H. Hooker
104 Hemlock Drive
Marietta, Georgia

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Dear Mr. Hooker:

Correspondence regarding the referenced DMEA exploration project contract addressed to Mr. Frank Siersma at Franklin, North Carolina, and La Grange, Georgia, has been returned by the post offices.

I understand that you have been associated with Mr. Siersma in some business affairs in the past and may have his present address. If so, your advice will be greatly appreciated.

Sincerely yours,

George Turnich
Director

Sorry I cannot be of help to you in locating Mr. Siersma. I have neither seen nor heard from him in several years. Could not the Internal Revenue Service be of assistance?

W. H. H.

7/27 - Two copies sent to Region IV files.

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

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 27 1962

DATE	INITIALS	CODE
7/30	[illegible]	800
		900

JUL 2 8 1962

Mr. Paul L. Grist
Mrs. Eliza Cobb Grist
Raburn Gap, Georgia

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Dear Mr. Grist and Mrs. Grist:

In a letter dated March 23, 1961, you advised that you let two different parties do exploratory work on your property known as Baird Cove Mine and that there had been no production from the mine so far as you know.

This office is informed of two purchases of block mica made by the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, from Baird Cove Mining Co., Route 3, c/o Ralph Cunningham, Franklin, North Carolina, described as originating from Baird Cove Mine, Macon County, North Carolina, as follows:

Lot No.	Quantity	Total Settlements	Date Approved by Depot
SPBR-47(a)	1400 lbs.	$206.08	Dec. 2, 1960
SPBR-68(a)	2884 lbs.	865.20	Dec. 23, 1960

The Government is entitled to receive, but has not received, $53.56 in royalty at 5 percent on the above sales of production from the property as provided in the contract and Termination Agreement, as well as the Owner's Consent to Lien dated December 10, 1952, executed by you as an inducement for the Government to enter into the exploration contract.

Will you please favor us with a remittance of the amount of $53.56 or arrange with Baird Cove Mining Co. for payment of that amount if your agreement with them provided that they should pay the royalty to the Government? Also, if there was any other production from the property subject to the payment of royalty to the Government, it should be reported and the royalty paid.

Sincerely yours,

George Fumich, Jr.

Director

(over)

I find the mica referred to in your letter was gotten during the Exploratory work I curate you about.

Enclosed is a Check covering same,

Eliza C. Grist

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/18	Talbert	800
	Holt	500
	Hyswold	500
7/18	[illegible]	120
"	[illegible]	110
7/18	[illegible]	100
		220

JUL 18 1962

Mr. W. H. Hooker
104 Hemlock Drive
Marietta, Georgia

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-8459

Dear Mr. Hooker:

Correspondence regarding the referenced DMEA exploration project contract addressed to Mr. Frank Siersma at Franklin, North Carolina, and La Grange, Georgia, has been returned by the post offices.

I understand that you have been associated with Mr. Siersma in some business affairs in the past and may have his present address. If so, your advice will be greatly appreciated.

Sincerely yours,

George Fumich, Jr.

Director

EDTalbert/ama 7-18-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2)

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

OFFICIAL FILE COPY
O. M. E
RECEIVED JUL 18 1962

DATE		
7/18		800
		120
		500

July 16, 1962

Memorandum

To: George C. Selfridge, Chief, Division of Field Operations
Office of Minerals Exploration, Washington 25, D. C.

From: Robert A. Laurence

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

In today's mail, I note that you have received a reply from your
E 456 inquiry on DMEA-2150 (Reid and Hooker) from W. H. Hooker of Marietta, Georgia. I recall that Mr. Hooker was also associated with Frank Siersma in several early mica applications (though not in DMEA-2579), and also, I believe, in other business affairs in Atlanta before Mr. Siersma went to Franklin, North Carolina, so it is possible that Mr. Hooker could provide you with Mr. Siersma's current address.

It also occurred to me that Charles M. Trammell, who was also an associate of Mr. Siersma and others in the early '50's might know his address. At the time, Mr. Trammell's address was 910-17th St. NW, Washington 6, D. C., and his telephone number was Metropolitan 8-2325. I do not know if he still maintains an office in Washington.

N.G.

Robert A. Laurence

Robert A. Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
ROOM 11 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

FILE COPY
O. M. E.
RECEIVED JUL 16 1962

DATE	INITIALS	CODE
7/16	RW	800
7/17	Shawell	500
7/17	Hoet S.P.H.	500
		220

July 12, 1962

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME, Washington, D. C.

From: Robert A. Laurence

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Reference: Your memo of July 10.

The latest address we have for Frank Siersma, in May 1954, was 200 Church Street, LaGrange, Georgia, but I am sure mail sent to him at that address was returned. I was told in 1956 that he was living in Atlanta and was interested in a mica operation near Canon City, Colorado. He is not listed in the current Atlanta telephone directory.

I have no idea where Bernard Bauer could be located.

Robert A. Laurence

Robert A. Laurence

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/10	Talbert	800
"	Holt	500
7/10	Grisywold	500
"	[illegible]	130
7/10	Johnson	110
7/10	Fenwick	100
		220

JUL 10 1962

Memorandum

To: Robert A. Laurence, U. S. Geological Survey

From: Chief, Division of Field Operations

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-8459

Our letters of June 28 addressed to Messrs. Bernard Bauer and Frank Siersma have been returned by the post offices stamped "Unknown" and "Moved. Left no address", respectively.

Your advice as to any later addresses as disclosed by your files will be appreciated.

George C. Selfridge

(GHR)

EDTalbert/ama 7-9-62

cc:
Docket
Director's Reading File
CA & A Division
Review Committee

43683

File

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

JUN 28 1962

Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, North Carolina
and
Mr. Frank Siersma
P. O. Box 336
Franklin, North Carolina

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Gentlemen:

Enclosed is a copy of my letter of this date to Mr. Paul L. Grist and Mrs. Eliza Cobb Grist, Raburn Gap, Georgia, together with a copy of a letter to each of you dated August 7, 1956, by the Administrator, Defense Minerals Exploration Administration. These letters relate to royalty due to the Government under terms of the above-referenced exploration project contract and, I believe, are self-explanatory.

This information is being furnished each of you because of your obligation as surety in the event the royalty presently due and any additional royalty that may be determined to be due to the Government cannot be collected from the seller of the production.

Sincerely yours,

George Turnick
Director

Enclosures

Returned marked "moved, left no address" - see envelope attached

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

JUN 28 1962

Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, North Carolina
and
Mr. Frank Siersma
P. O. Box 336
Franklin, North Carolina

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

Gentlemen:

Enclosed is a copy of my letter of this date to Mr. Paul L. Grist and Mrs. Eliza Cobb Grist, Raburn Gap, Georgia, together with a copy of a letter to each of you dated August 7, 1956, by the Administrator, Defense Minerals Exploration Administration. These letters relate to royalty due to the Government under terms of the above-referenced exploration project contract and, I believe, are self-explanatory.

This information is being furnished each of you because of your obligation as surety in the event the royalty presently due and any additional royalty that may be determined to be due to the Government cannot be collected from the seller of the production.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

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

JUN 2 6 1962

Mr. Paul L. Grist
Mrs. Eliza Cobb Grist
Raburn Gap, Georgia

Re: OMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Ida-E459

Dear Mr. Grist and Mrs. Grist:

In a letter dated March 23, 1961, you advised that you let two different parties do exploratory work on your property known as Baird Cove Mine and that there had been no production from the mine so far as you know.

This office is informed of two purchases of block mica made by the G.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, from Baird Cove Mining Co., Route 3, c/o Ralph Cunningham, Franklin, North Carolina, described as originating from Baird Cove Mine, Macon County, North Carolina, as follows:

Lot No.	Quantity	Total Settlements	Date Approved by Depot
SPBR-47(a)	1400 lbs.	$206.08	Dec. 2, 1960
SPBR-68(a)	2884 lbs.	865.20	Dec. 23, 1960

The Government is entitled to receive, but has not received, $53.56 in royalty at 5 percent on the above sales of production from the property as provided in the contract and Termination Agreement, as well as the Owner's Consent to Lien dated December 10, 1952, executed by you as an inducement for the Government to enter into the exploration contract.

Will you please favor us with a remittance of the amount of $53.56 or arrange with Baird Cove Mining Co. for payment of that amount if your agreement with them provided that they should pay the royalty to the Government? Also, if there was any other production from the property subject to the payment of royalty to the Government, it should be reported and the royalty paid.

Sincerely yours,

George Fumich, Jr.

Director

C
O
P
Y

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

August 7, 1956

Mr. Bernard Bauer
Bauer Mining Company
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:

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-E459 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 $2,862.12. 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-E459 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 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. 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,

/s/ C. O. Mittendorf

Administrator

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

OFFICIAL BUSINESS

RETURNED TO WRITER

REASON CHECKED
Unclaimed.... Refused....
Unknown.....
Insufficient address.....
Moved, Left no address.....
No such office in state.....
Do not open in this envelope

POSTAGE AND FEES PAID
DEPARTMENT OF THE INTERIOR

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

FRANKLIN, N.C.
JY 2 11 AM
1962

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/28	Fisher	800
6/28	Talbert	800
"	Holt	500
	Furnich	500
6/28	Selfridge	120
"	Johnson	110
6/28	Furnich	100
		220

JUN 28 1962

Mr. Paul L. Grist
Mrs. Eliza Cobb Grist
Auburn Gap, Georgia

Re: DMSA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Ids-2459

Dear Mr. Grist and Mrs. Grist:

In a letter dated March 23, 1961, you advised that you let two different parties do exploratory work on your property known as Baird Cove Mine and that there had been no production from the mine so far as you know.

This office is informed of two purchases of block mica made by the U.S.A. Mica Purchase Depot, Spruce Pine, North Carolina, from Baird Cove Mining Co., Route 3, c/o Ralph Cunningham, Franklin, North Carolina, described as originating from Baird Cove Mine, Macon County, North Carolina, as follows:

Lot No.	Quantity	Total Settlements	Date Approved by Depot
SPM-47(a)	1400 lbs.	$206.08	Dec. 2, 1960
SPM-68(a)	2834 lbs.	865.20	Dec. 23, 1960

The Government is entitled to receive, but has not received, $53.56 in royalty at 5 percent on the above sales of production from the property as provided in the contract and Termination Agreement, as well as the Owner's Consent to Lien dated December 10, 1952, executed by you as an inducement for the Government to enter into the exploration contract.

Will you please favor us with a remittance of the amount of $53.56 or arrange with Baird Cove Mining Co. for payment of that amount if your agreement with them provided that they should pay the royalty to the Government? Also, if there was any other production from the property subject to the payment of royalty to the Government, it should be reported and the royalty paid.

Sincerely yours,

George Furnich, Jr.

Director

CEFisher/ama
6-28-62

cc: Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, N. C.

Mr. Frank Siersma
P. O. Box 336
Franklin, N. C.

Docket
Director's Reading File
CA & A Division
Region IV Files (2)

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/28	Fisher	800
6/28	Talbut	800
"	Hall	500
	Yousel	500
6/28	Selfridge	120
"	[illegible]	110
	[illegible]	100
		220

Mr. Bernard Bauer
Bauer Mining Company
Cullasaja, North Carolina
and
Mr. Frank Siersma
P. O. Box 336
Franklin, North Carolina

JUN 28 1962

Re: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-3459

Gentlemen:

Enclosed is a copy of my letter of this date to Mr. Paul L. Grist and Mrs. Eliza Cobb Grist, Auburn Gap, Georgia, together with a copy of a letter to each of you dated August 7, 1956, by the Administrator, Defense Minerals Exploration Administration. These letters relate to royalty due to the Government under terms of the above-referenced exploration project contract and, I believe, are self-explanatory.

This information is being furnished each of you because of your obligation as surety in the event the royalty presently due and any additional royalty that may be determined to be due to the Government cannot be collected from the seller of the production.

Sincerely yours,

George Fumich, Jr.

Director

Enclosures

CEFisher/ama 6-28-62

cc:
Docket
Director's Reading File
CA & A Division
Region IV Files (2)

43683

Form 7
(10-58)

DMEA-2579

OFFICIAL FILE COPY

Date	Symbol	Code
		300
		120
		310
		350
		220

June 27, 1962

Memorandum

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

From: C. E. Fisher, OME Auditor

Subject: Audit Trip to Spruce Pine, North Carolina

I left Washington, D. C., via Southern Railway train No. 47 at 9:00 p.m., EST, June 17, 1962. Arrival in Asheville, N. C., was about 10:00 a.m., June 18. There I secured an automobile from Avis Rent-A-Car and drove to Spruce Pine, N. C. Left Spruce Pine at 10:00 a.m., June 23, and arrived back in Washington at 3:10 a.m., June 24, via Southern Railway train No. 16.

Most of the time in Spruce Pine was spent in reviewing the purchase records of the G.S.A. Mica Purchase Depot for the purpose of determining whether any unreported purchases had been made by that Depot of production from mines on which DMEA had entered into exploration project contracts. A total of 57 contracts were assigned for this investigation.

The last purchase by the Depot under the Mica Purchase Program was made on June 7, 1962. Mr. J. F. McKinney, Depot Superintendent, advised that processing the mica on hand and making final settlements with vendors will take another 60 to 90 days before the Depot is finally closed. Mr. McKinney also advised that 2,972 Participation Certificates were issued and 21,600 lots of mica were purchased during the program. At June 15 the yield of strategic mica amounted to 1,816,759.75 pounds. This will increase some when all processing is completed. As of June 1 the total payments to vendors amounted to $[illegible],826,000. This amount will be increased when final settlements have been completed.

My review of the Depot records disclosed 13 contracts under which the Government may be entitled to royalty as hereinafter discussed. The investigation failed to disclose any purchases of production from the properties covered by the remaining 44 contracts. Memorandums for the files have been prepared for this latter group of contracts.

During the early stages of the exploration program, that is until 1957/8, two or more Government representatives were supervising exploration work in this mica region. They made frequent inspections of the various properties and were aware of what was happening. Mr. Beck made regular trips through the area and reminded the various parties of their royalty obligations. He checked the Depot records and often collected royalty. Several audit trips were made by representatives of this office, the last being my trip in February 1958. Mr. Beck continued his visits to the Depot and to the various operators through 1959 and subsequent investigations have been made by Messrs. Lynch and Lesure.

I believe that the reduction in royalty collections in the past 3 or 4 years may be accounted for by several circumstances:

First, a typical contract resulted in production during the exploration period and sometimes a little longer. Most of the mica exploration contracts were completed prior to 1958.

Second, nine of the mica exploration contracts had repaid their entire Government advance prior to 1958 and, of course, had no further royalty obligation. (For example, Sinkhole Miners, Idm-E364, DMEA-2379, operated right up to the day the Depot stopped buying.)

Third, there was a tendency on the part of the individual miners and some of the larger operators to work properties not subject to the Government lien for royalty. I noticed some instances where the name of the mine indicated that the production came from properties where DMEA had issued letters of no discovery. If the Government was not paying most of the mining expense in the form of contributions to exploration costs, why not work a property not subject to the Government's 5% royalty?

I visited the Spruce Pine Mica Company and met Mr. Lawrence Conley, who has been with that company and in the mica business for many years. He informed me that the only mica from the White Face Mine (Contract Idm-E662, DMEA-3255) his company had purchased were the two lots sold by John Carroll in 1954. Mr. Beck and I collected $13.34 royalty applicable to these sales from the property-owner, W. Howard Simpson, president of Non-Metallic Minerals Corp., on March 16, 1955. Mr. Conley expressed the opinion that no work had been done on the property since John Carroll was there.

The Spruce Pine Mica Company operates a fabricating plant. They primarily depend upon imported mica and this was especially true during the Government purchase program when everyone was

[illegible] mica. [illegible] only the local [illegible] the Depot. Mr. [illegible] stated that some of the [illegible] have been in to "talk" [illegible] are "considering" the matter. [illegible] indicated that he expected some land-owner farmers would [illegible] in punch from time to time as they felt the need for cash [illegible] another crop from the land.

[illegible] Associates [illegible] (MFA-3000) sold punch to the source [illegible] Mr. [illegible] hopes they will continue operations as the [illegible] Mine is a good source of supply and, further, he would like to see a North Carolina operation continued. He stated that his associates own a couple of punch presses (presumably in [illegible]), but that so far as he knew they had not used them on [illegible] production.

[illegible] for an hour or so on Friday afternoon at the [illegible]. This was after the rest of [illegible] investigation had been completed [illegible] was satisfied that there was not much to be [illegible]. Our talk was very general and limited mainly to [illegible] in which he had been interested. He called my attention [illegible] that there were parts in which he was interested [illegible] advance in full. [illegible] carefully refrained from [illegible] times as [illegible] projects, he, and his associates, had stopped mining almost as soon as the Government contribution ceased. He mentioned the McKinney Mine (Contract [illegible]) [illegible] but I did not see any profit in a discussion of that case.

Mr. [illegible] that all feldspar operations in the area were large [illegible] operations and that it is practically impossible [illegible] operator to sell feldspar. The big operators have [illegible] and do not wish to be [illegible] low that the little fellow cannot afford to mine and [illegible] supply. Of course, when most of the mining [illegible] exploration cost, [illegible] of the feldspar was sold. For example, [illegible] John Mica Miners, [illegible] feldspar discovery. According to Mr. [illegible] completion of the [illegible].

[illegible] records [illegible] unpaid royalty in [illegible] contracts as follows:

[illegible] Contract [illegible], MFA-2377, [illegible] Inc.

[illegible] a copy of the final settlement statement for [illegible], approved May 14, 1958, covering purchase from

Frank W. Phillips [illegible],315 pounds [illegible] pounds of trimmed mica, for which [illegible] $394.50. A Report of Royalty Review dated [illegible] indicated $19.73 unpaid royalty applicable to this sale. A copy of the document was obtained to complete the DMEA files. This sale was made from production subsequent to "abandonment" by the original operators under the contract. [illegible] a ruling by the [illegible] Office royalty is not collectible unless the original operators [illegible] again mine the property during the repayment period.

Contract I[illegible], [illegible]SA-2375, [illegible] Line West

Final settlement statement for [illegible], approved July 20, 1956, under which Robert H. Redus, Jr., [illegible] Street, Asheville, N. C., received a net settlement of $35.[illegible], [illegible] the mine name as "Summer" but does not give the location of the mine. This contract covered exploration at the Swannanoa Mine [illegible] the contract and the Landlord's Subordination Agreement executed by T. B. Summer, that mine is located in [illegible], N. C. Asheville is the county seat of Buncombe County. [illegible] that the sale by Mr. Redus covered production from [illegible] operated by him under the mine owner's name, and [illegible] Summer Mine on the settlement sheet.

On March 11, 1965, Mr. Beck and I called [illegible] Summer whose address is Summer [illegible] Foster, Inc., Haywood [illegible], Asheville, N. C., and found him to be very cooperative in [illegible] information about sales from the Swannanoa Mine on which he had received royalty as owner of the property. I suggest that he be contacted regarding the sale by Redus and asked if there is any other production on which the Government is entitled to royalty. [illegible] was certified because of presence of feldspar.

Contract I[illegible], [illegible]-2610, [illegible] Minerals, Inc.

Final settlement statement was [illegible] SW-229(a), approved [illegible], 1958, under [illegible], Sylva, N. C., received payments aggregating [illegible] settlement statement shows the mine name as [illegible], but does not give the location of the mine. Contract [illegible] covered exploration at the Shell Ridge Mine located in [illegible], N. C., of which Sylva is the county seat.

Contract Idm-3452, DMEA-2579, Mica Industries, Inc.

Final settlement sheets SPBR-47[illegible], approved December 2, 1960, and SPBR-68(a), approved December 2[illegible], 1960, covered payments aggregating

$206,08 and $865.20, respectively, for mica sold by Baird Cove Mining Company, Route 3, c/o Ralph Cunningham, Franklin, N. C. The name and location of the mine are shown as Baird Cove Mine, Macon County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E495, DMEA-2793, Burns-Spangler Construction Co.

Final settlement sheet SPAR-157(a), approved September 18, 1958, covered payments aggregating $136.64 to Ed Burleson, Box 265, Bakersville, N. C. The name and location of the mine are shown as Lee Cornwell, Cleveland County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-E548, DMEA-2921, Fred Taylor, Julian Greene & Johnnie Greene

Final settlement sheet SPAR-547(a), approved May 8, 1959, covered payment of $214.14 to Lewie Aldridge, Spruce Pine, N. C. The name and location of the mine are shown as Cow Camp, Avery County, N. C., which is in agreement with the description of the mine in the exploration contract.

Contract Idm-E557, DMEA-3000, B. T. R. Mining Company

Check dated June 14, 1962, from B-K Associates brought royalty receipts under this contract up to $4,279.39 or within $130.61 of the total Government contribution.

The Depot records indicated additional purchases from B-K Associates as follows:

Date	Lot No.	Amount	
6/7/62	SPAR-496	$2,145.16	Final
6/15/62	" -512	1,214.58	"
4/5/62	" -525	1,100.98	Preliminary
4/12/62	" -530	1,181.30	"
4/19/62	" -537	950.32	"
4/26/62	" -542	875.89	"
5/3/62	" -547	966.57	"
5/10/62	" -560	842.03	"
5/18/62	" -566	917.21	"
6/1/62	" -591	435.49	"
6/5/62	" -599	256.26	"
6/7/62	" -607	279.04	"
4/5/62	SPAO-156	222.24	"
4/12/62	" -161	296.28	"

Contract Idm-2618, DMEA-3132, Dixie Mines, Inc.

Royalty has not been paid to the Government in connection with the following settlement statements:

Lot No.	Date Approved	Seller	Amount
SPAR-257(a)	11/5/58	S. P. Lett, Rt. 3, Linville, Ala.	$2,019.20
" -270(a)	12/30/58	" " " "	495.57
" -333(a)	12/29/58	" " " "	861.37
" -414(a)	3/16/59	L. T. Rounds, Rt. 2, Columbiana, Ala.	157.82
" -511(a)	3/25/59	" " "	649.57
" -780(a)	6/23/59	" " "	356.95

Contract Idm-2664, DMEA-3247, Newland Buchanan, et al.

Final settlement sheet for lot No. SPBR-163(a), approved August 24, 1960, covered payments aggregating $854.94 to M. E. Burleson & Frank W. Phillips Co., c/o Mitchell Lumber Co., Spruce Pine, N. C. The name and location of the mine are shown as Johnson Mine, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-2814, DMEA-3740, Roy Grindstaff, et al.

Final settlement sheet for lot No. SPAO-154(a), approved January 27, 1960, covered payments aggregating $263.65 to Pereley & Grindstaff, Route 1, c/o Roy Grindstaff, Bakersville, N. C. The name and location of the mine are shown as Conley, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-2977, DMEA-4337, Hawk Mining Company

Royalty has not been paid to the Government in connection with the following settlement statements:

Lot No.	Date Approved	Seller	Amount
SPAO-475(a)	4/18/59	J. E. Wilson, c/o Mitchell Lumber Co., Spruce Pine, N.C.	$ 114.80
" - 12(a)	7/24/59	" " " "	594.62
" - 51(a)	8/24/59	" " " "	1,070.75*
" - 89(a)	1/9/62	" " " "	302.37*

* Includes production from various mines. Amounts applicable to Hawk Mine are $195.57 and $9.48, respectively.

Contract Idm-5665, DMEA-3216, Hector Mining Company

Final settlement sheets for lots SPAO-10(a) and SPAO-14(a), approved September 7, 1960, covered payments aggregating $195.70 and $141.11, respectively, to Dan Allen, Route 2, Burnsville, N. C. The name and location of the mine are shown as Hector Mine, Yancey County, N. C., which is in agreement with the description of the mine in which exploration was performed.

Contract Idm-5734, DMEA-3452, Howard Boone & John Jarrett

Final settlement sheet for lot SPAR-359(a), approved December 1, 1959, covered payments aggregating $101.31 to Persley & Grindstaff, c/o Roy Grindstaff, Route 3, Bakersville, N. C. The name and location of the mine are shown as Putnam, Mitchell County, N. C., which is in agreement with the description of the mine in which exploration was performed.

The following is furnished for your use in the unlikely event you may find it necessary to secure additional information regarding purchases by the Spruce Pine Depot.

Mr. McKinney stated that he does not know what is to become of the Spruce Pine Depot records when the Depot is finally closed. He is recommending that the copies of settlement statements and supporting papers maintained at the Depot be destroyed as they are duplicates of original documents on which disbursements were made. The original documents are in the custody of:

General Services Administration, Region 3
Office of Regional Comptroller
Document Control and Collections Section
Room 6238, Regional Office Building
7th and D Streets, S. W.
Washington 25, D. C.

During the purchase program it was the practice to furnish copies of all settlement sheets to:

Mr. Avery H. Reed, Jr., Chief
Knoxville Field Office
Division of Mineral Industries
Bureau of Mines
404 Hamilton Bank Building
Knoxville 2, Tennessee

I understand that these copies were used by the Bureau of Mines to compile statistical data relating to production from the various mines. I do not have any information regarding the ultimate disposition made of these copies.

CWFisher/sms 6-27-62

cc:
Mails and Files
Director's Reading File
CA & A Division
Region IV Files (2)

M Form 7
) -58)

OFFICIAL FILE COPY

Date	Surname	Code
10/31	GCS.	120
10/31	Johnson	110
10/31	Farmer	100
		220

OCT 3 1 1961

Memorandum

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

From: Chief, Division of Field Operations, GMK

Subject: DMEA -2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

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

/s/ George C. Selfridge

(hb)

Attachment

GCSelfridge/hb (10/31/61)
Copy to: Docket DMEA-2579
Director's Reading File
CA & A Division
G. C. Selfridge
R. A. Lawrence, Region IV w/cys of Report of Royalty Review dtd 10/27/61; original memo dtd 10/27/61 by Chief, CA&A Div., to Chief, Div. of Field Operations; and Report of Inspection dtd 5/18/61 by Frank G. Lesure.
V. J. Lynch w/cys of all listed for Mr. Lawrence.

43683

Form 7
-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

OCT 2 7 1961

Memorandum

To: Chief, Division of Field Operations

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

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Mica Mine
Macon County, North Carolina
Contract Idm-E459

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

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

(b) Copy to Region IV files.

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

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

Attachments

EDTalbert/ama
October 27, 1961

Copy to: Docket
Director's Reading File
CA & A Division
Mr. Rothrock

43683

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

OFFICIAL FILE COPY
IN REPLY REFER TO:
O. M. E
RECEIVED MAY 22 1961

DATE	INITIALS	CODE
5/23	gad	NVO
	on leave	~~440~~
5/23	MW	800
	gd	500
		220

May 18, 1961

Report of Inspection of Certified Proj~~ect~~

Mica Industries

Baird or Baird Cove mine, Macon County, N.C.
DMEA 2579 (mica Idm-E459

The Baird mine has been worked intermittently since 1958. When visited on August 29, 1958, the Burleson shaft reported by Mr. Beck, had been completed to a depth of 78 feet and a drift begun to the southeast. The Burleson shaft is now flooded. A second shaft has been sunk about 50 feet S 57 E of the Burleson shaft. This shaft is at least 50 feet deep and is flooded to within 12 feet of the surface. The dump is small and little level work was probably done from this shaft. A third shaft has also been sunk about 200 feet S 65 E of the Burleson shaft. This third shaft is at least 69 feet deep and contains 34 feet of water. The dump contains weathered feldspar, small pieces of quartz and small books of poor quality muscovite. The work on this shaft may have been done as recently as 1960.

At the northwest end of the mine area another shaft has been sunk about 10 feet northeast of the first DMEA shaft. This new shaft was sunk during the summer of 1960. The shaft is at least 48 feet deep and has 20 feet of water in it. There is a locked tool house nearby but no equipment on the property. The dump is large and some level work was probably done. The dump material consists of blocks of quartz 1 to 2 feet in diameter, weathered feldspar and pieces of poor quality muscovite up to 4 x 6 inches. Most of the muscovite is bent and ruled. A few scraps of good quality mica are also present. It is reported that Ralph Cunningham of Franklin, N.C., did this recent work. How much mica was recovered is not known.

Frank G. Lesure

Date Inspected
21 April 1961

Letter of March 23, 1961 from property owners says no production

MME Form 18
10-60

OFFICE OF MINERALS EXPLORATION

ANALYSIS OF ANNUAL REPORT
OF CERTIFIED PROJECT OR PROJECT UNDER ROYALTY AGREEMENT

Division of Minerals prepares in duplicate, files original in official docket, and sends copy -

To: (1) Code 110 (for verification or adjustment)
(2) Code 210

Docket No.	Operator	Report Period
2579	Mica Industries	To: 5-1-61
		Contract No. E459

ORE ESTIMATES	Original DMEA or OME (From Final Report)	Revised DMEA or OME	Found by Operator after DMEA-OME work
Analysis			
Tons Found	no estimate		
Tons Produced (Ore or Concentrate)			
Previously Reported			
This Period			
Tons Remaining	—		

Comments of Analyst:

Inactive at present

Prepared by W R Trumed Date 5/26/61

82444-60

Rabun Gap, Georgia
March 23, 1961

Office of Minerals Exploration
Dept. of the Interior
Washington 25, D. C.

Dear Sir:

In regard to your inquiry of Baird Cove Mine - Mica Industries, Inc., Assignee located in Macon County, North Carolina
Contract Idm - E459
Docket no. DMEA - 2579 Mica

We let two different parties do explatary work on this property but it did not prove fruitful. The mine has produced nothing so far as we know.

Sincerely yours,
Eliza Cobb Grist
Paul L. Grist

OFFICIAL FILE COPY
C. M. E
RECEIVED MAR 28 1961

DATE		CODE
3/28	Coc	210
		~~120~~
		500

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	[illegible]	120
3/28	Holt	500
"	Johnson	110
		220

Memorandum

To: Harold Kirkemo, Geologist, U. S. Geological Survey

From: George C. Selfridge, Chief, Division of Field Operations, OME

Subject: DMEA-2579 (Mica)
Mica Industries, Inc., Assignee
Baird Cove Mine
Macon County, North Carolina
Contract Idm-E459

As recently discussed with you, we have been unable to secure any recent information concerning the subject property. Attached is a report dated July 8, 1958, by William A. Beck, mining engineer, USBM, on the last field inspection made of the property. It was reported inactive for the period January 1, 1959, to July 1, 1959, as checked at the Buying Depot. Should Mr. Lesure obtain any information concerning the property on his field trip, we shall appreciate knowing what its status has been since July 1, 1959.

/s/
George C. Selfridge
(SHB)

Attachment

GCSelfridge/hb (3/28/61)
Copy to: Docket, DMEA-2579
Director's Reading File
G.C.Selfridge
Chron. (500)

DOCKET COPY

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Chief, Division of Field Operations
~~XXXXXXXXXXXXXXXXXX~~
Office of Minerals Exploration
Department of the Interior
Washington 25, D. C.

Date: February 23, 1961

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

Mr. Paul L. Grist
Mrs. Eliza Cobb Grist
Franklin,
Macon County, North Carolina

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return ~~one copy~~ two copies to this office with copies of any pertinent documents.

/s/ George O. Selfridge
~~xxxxxxxxxxxxxxxxxx~~
Chief, Division of Field Operations

1. Since July 1, 1959, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☐

2. Since July 1, 1959, has there been any production from the property?*Yes ☐ No ☐

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

	Quantity	Value

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

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 [illegible]

DATE	INITIALS
9-21	Ahent

• Inactive Stores [illegible]

Reporting Period: January 1 [illegible] to July [illegible] 1[illegible] • Commodity: [illegible]

DMEA	Number	Name	Inspector	Inspected
1140	87	[illegible]	[illegible]	9/2/59
1780	110	Cabe[illegible]	Fred [illegible]	9/2/5[illegible]
2150	456	Hete[illegible]	Hel[illegible] Hooker	
2277	422	[illegible]	[illegible]	
2293	[illegible]	[illegible]	[illegible] Inc.	
2327	[illegible]	[illegible]	[illegible]	
2579	[illegible]	[illegible]	[illegible]	
2582	[illegible]	[illegible]	[illegible]	
2610	[illegible]	[illegible]	[illegible]	
2875	[illegible]	[illegible]	[illegible]	
3026	51[illegible]	[illegible]	[illegible] Co.	
[illegible]	[illegible]	Terrill Bryson	[illegible] Co.	
3265	830	[illegible]	[illegible]	
3289	[illegible]	[illegible]	[illegible]	
3469	737	[illegible]	[illegible]	
3543	[illegible]	[illegible]	[illegible]	
3780	[illegible]	[illegible]	[illegible]	

OFFICIAL FILE COPY
DMEA
RECEIVED
10 1958
DATE
CODE
7/10 C 220
10 Com 100
11 129 110
7/14 668 800
225

DMEA EXPLORATION PROJECT
(PSEUDO)
SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

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

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

Operator: Mica Industries, Inc., Assignee, c/o John T. Fizzano, General Mgr. Chester Pike & Angelo Dr., Crum Lynne, Pa.

It has been reported the above operators went bankrupt and relinquished their lease on the property. The property was then leased by Sam L. Phillips who applied for DMEA exploration aid on Docket No. DMEA-4987 and called the mine the "Snow Prospect." When the aid was denied he sold the lease to M. E. Burleson of Spruce Pine, North Carolina. Mr. Burleson is presently sinking a shaft at a location about 250 feet southeast of the old DMEA shaft. When visited June 25 the shaft was down 35 feet. Lee Buchanan who is in charge of the work said they plan to sink about 80 feet and crosscut over to the pegmatite. They are having no trouble sinking.

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

July 8, 1958

z

OFFICIAL RECORD
DMEA
RECEIVED FEB 6 1958

DATE	INITIALS	CODE
2/6	C Com	220

DMEA EXPLORATION PROJECT

SEMI-ANNUAL REPORT ON PSEUDO CERTIFIED PROJECT

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

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

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

This mine was visited January 23, 1958. No work had been done since the last inspection.

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

2-4-58

z

SEMI-ANNUAL REPORT OF PSEUDO CERTIFIED
PROJECT

DMEA EXPLORATION PROJECT

DMEA-2579, IdmOE459(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

OFFICIAL FILE COPY
D M E A
RECEIVED
DATE
9/5
220

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.

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 29 1957

DATE	INITIALS	CODE
4/1	C	220
"	COM	100

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

WAB/as

Indritz Dwyer Anderson
Houk Chambers Nelson
noted - Geehan

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

Rewritten by 140

Indritz 8/3/56
Dwyer
Houk
Chambers
Nelson.
Lamb
Martin
Johnson

AUG - 7 1956

Mr. Bernard Bauer
Bauer Mining Company
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:

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-E459 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 $2,862.12. 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-E459 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 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:

R.C.J.

"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. 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.

Indritz
Dwyer
Andrews
North
Chambers
Nelson
noted - Geehan

Mr. Bernard Bauer

Cullasaja, North Carolina
and
Mr. Frank Sierens
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-2459

Gentlemen:

You entered into Contract No. Idm-2459 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 Sierens/ 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.

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 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

PIndritz/emd
7/19/56

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
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

140

Indritz
Dwyer
Houk
Chambers
Nelson
Martin

AUG - 7 1956

Mica Industries, Inc.
c/o 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
Mason County, North Carolina
Contract No. Idm-8459

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 $2,862.12 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. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, 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.

PIndritz/emd 7/19/56
Copy to: DMEA Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Kiilsgaard
Field Team, Reg. V (2)
Mr. Chambers
Mr. Houk

Sincerely yours,

C. O. Mittendorf

Administrator

Mr. Dwyer Mr. Indritz chron. pending

R.G.S.

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

JUL 30 1956

Memorandum

To: The Administrator, DMEA
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. DMEA-2579 (mica) Mica Industries, Inc., Assignee, Contract Idm-E459.

Contract Idm-E459, dated December 11, 1952, was entered into with Messrs. Bauer and Siersma. 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 /$8,190/ or alter the provisions for repayment . . ."

Bauer subsequently transferred his interest in the lease to Siersma, and thereafter Siersma, by instrument dated February 14, 1953, transferred his interest in the lease to Mica Industries, Inc. Messrs. Bauer and Siersma 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 Siersma "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 Siersma 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 Siersma 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 Siersma 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

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

Indexed 7/31/56
Hafer

JUL 30 1956

Memorandum

To: The Administrator, BMMA
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. BMMA-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 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 /$8,190/ 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, 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 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 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.

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

Robert P. Dwyer

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. G. Houk, Defense Minerals Exploration Administration

From: N. E. 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. Eighty 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.

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

N. E. Nelson

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

Talbert
F. Johnson
Wattendorf

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

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

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

Docket Copy
Surname:
Anderson
Houk
Selfridge
Johnson
Mikendorf

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

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
Macon County, North Carolina
Contract No. Idm-M459

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 (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
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

Minerals Processing Company

CHester 4-2501 CRUM LYNNE, PENNSYLVANIA

RECEIVED
NOV 21 1955

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, NorthCarolina
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

John T. Fizzano

John T. Fizzano

JTF/fb

Enclosures 5

Docket Copy
Surname:
Anderson
Houk
Talbot
Gichon
Kilsgaard
Martin
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 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-M459

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,

C. O. Mittendorf

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: IMEA-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."

W. F. Dietrich

W. F. Dietrich

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 25 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-E459 (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
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

Reviewed by
DMEA OPERATING COMMITTEE
10-31-55
(date).

RECEIVED
OCT 27 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

Reviewed by
[illegible]
10-31-55
(date)

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

RECEIVED
OCT 27 1955

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

RECEIVED
OCT 27 1955

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

z

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

WASHINGTON 25, D. C.

RECEIVED
OCT 27 1955

October 26, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V - Knoxville

Subject: DMEA-2579, Idm-E459 (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. Houk 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

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

Minerals Processing Company

CRUM LYNNE, PENNSYLVANIA

CHester 4-2501

RECEIVED
OCT 27 1955

October 22, 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/fb

RECEIVED
OCT 25 1955
Knoxville, Tenn.

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

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. Behler.

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/sm
cc:
Opr. Com.-2
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
Robert A. Laurence
Executive Officer
DMEA Field Team, Region V

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

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. C. 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 /mc

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

W. C. Anderson
F L Knouse

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
ROOM WASHINGTON 25, D. C. POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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-E459, 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

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

K. H. Teague

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

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-8579, Idm-8459 (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/xm
cc:
Opr.-2
Knouse
Lynch
Shirley
Files

Anderson

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

F L Knouse

Frederick L. Knouse

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

August 10, 1955

RECEIVED
AUG 12 1955

Memorandum

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
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

Docket Copy
Surname:
Houk
Talbot
Bubin
Hedges
Kilsgaard
Selfridge
Johnson

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

600

Mailed in Field.

JUN 27 1955

Mr. Guy L. Houk
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-E459

Dear Mr. Houk:

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. Laurence, 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. Mittenderi

Administrator

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

Docket Copy
Surname:
Houk
Talbot
Selfridge
H. Johnson

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

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-E459

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 (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
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

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1 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, Idm-E459 (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/xm
cc:
Opr. Com.
Lynch
Shirley
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM WASHINGTON 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. Com.

Files

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

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-R459 (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/sm

cc:
Lync
Shirley
Opr. Com.
Files

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

MAR 21 1955

Rubin
Hoffland
Anderson
Houk
Chandler
Hedges
Selfridge
Johnson
Mathewson

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. Idm-E459

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-2873 (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

H. C. Rubin
Chron. File
Pending File
L. G. Houk
J. L. Hofflund
Op. Comm.

Copy to: DMEA Docket
Department Rep.
Hourigan

RCS.

Docket Copy
Surname:
Anderson

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

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

WCA
R+R

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM POST OFFICE BLDG.
WASHINGTON 25, D.C.
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
Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

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

Docket Copy
Surname:
Anderson
Houk
Jagnut
Frank Johnson
Mattendorf

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

600

FEB 24 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-E459

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 (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

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

Enclosures 8

R.C.B.

DOCKET FILE
Surname:
Anderson
Houk

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

February 7, 1955

N.S. in R.R.

INTERIOR DEPT

Memorandum

FEB 9 - 1955

SOLICITOR

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
Macon County, North Carolina
Contract No. Idm-E459

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

GUY L. HOUK
ATTORNEY AT LAW
FRANKLIN, N.C.

RECEIVED

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 25 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,

G. L. HOUK, President
Mica Industries, Inc.

GLH:nj

Docket copy
Surname:

140

Hoffland
Houk
Talbut
Hedges
Kilpatrick
Selfridge
Johnson

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-2579 - Mica
Mica Industries, Inc.
Baird Cove Mine
Macon County, North Carolina

Dear Mr. Houk:

On November 23, 1954, this office wrote Mr. Frank Siersma, 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. Siersma 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. Siersma.

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.

R.C.S.

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,

C. O. Mittendorf

Administrator

JLHofflund/emd
1/19/54

Copy to: DMEA Docket
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Dietrich
Mr. Kiilsgaard
Mr. Chambers
Mr. Houk
Field Team, Reg. V (2)
J. L. Hofflund
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 (Misa), Contract No. Idm-E459, Misa 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 rescission 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.

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

JLHofflund:gjb 1/17/55

Copy to: DMEA Docket
Solicitor's Docket
J. L. Hofflund
Chron. File
L. G. Hank

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 rescission 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.

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.

marked "extra copy" conformed copy of assignment 4/6/53 on file

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

Docket copy
140 Surname:
Houk
Rewritten by Hofflund
Talbut

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

NOV 23 1954

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:

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,

O. C. 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
~~MrxxHenk~~ J.L. Hofflund
chron.
pending

R.C.G.

Docket Copy
Surname:
Houk

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

600

INTERIOR DEPT.
NOV 18 1954
SOLICITOR

Rewritten
J.L.H./end

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-R459

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

LGHouk:gad 11/17/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

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
Acting Assistant Solicitor
Defense Minerals

Attachments

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 POST OFFICE BLDG.
WASHINGTON 25, D. C.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 9 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

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

Robert A. Laurence

Robert A. Laurence
Executive Officer, DMEA
Region VII

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

October 20, 1954

Memorandum

To: Miss Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Amendment to Contract
Ry E57

Attached is the following docket copy of an amendment to a contract which has been reviewed and approved by the commodity division, Contract Administration and Audit Division, and the Legal Division.

Mica Industries, Inc., DMEA-2579, Idm-E459, Amendment No. 5.
The official docket is also attached.

Attachment - 1

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1425 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

Robert A. Laurence

zm

RECEIVED
OCT 7 - 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

7

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

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 Houk to learn what, if anything, is being done. He will insist on resumption of operations in the near future.

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:
Houk
B Johnson
Mullendorff

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

AUG 27 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 (24B)

Approved:

J. H. Hedges
Member, Bureau of Mines (24B)

S/ Thor N. Kiilsgaard
Member, Geological Survey (24B)

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

R.C.S.

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

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

W. C. Anderson
Nonmetallic Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON~~

August 3, 1954

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

Re: DMLA-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/rs
cc:
Beck
Lynch
Files
Opr. Com.

June 18, 1954

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

Re: DMEA-2579, Idm-E 459 (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/xm
cet
Beck
Lynch
Opr. Com.-2
Files

INTERIM REPORT

2579

DMEA-~~2379~~ Idm-E489 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ miles N 90° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking continues on this contract and is now at 58 ft. The shaft is now being sunk in pegmatite, which is a completely fluid feldspar. The operator, at 55 feet, observed highly weathered mica schist coming in from the northeast corner of the shaft, and in view of past experience with this schist, he immediately began narrowing his shaft cross section to 5' x 5', keeping it in pegmatite. This action, although seemingly justified on his part, does not make for a safe operation because the manway has been completely eliminated, and no protection is afforded men working in the bottom. The field examiners were unable to contact the operator to learn what steps he will take in providing a safe operation under the outlined conditions.

L. E. Shirley

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

K. H. Teague

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

August 10, 1953

6B

INTERIM REPORT

2579

DMEA-~~2379~~ Idm-E489 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ miles N 70° W 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 failure. The mine is making considerable water and could not be examined on this visit. Shaft measurements indicated that 9.5 feet of shafting had been accomplished in the past two weeks, after narrowing the cross sectional opening to 5' x 5'. This places the bottom at 64.5 feet.

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

L. E. Shirley

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

K. H. Teague

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

August 24, 1953

913

INTERIM REPORT

DMEA-~~2379~~ 2579 Idm-~~E489~~ 459 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ miles N 70° W of Franklin, Macon County, N. C. and on the west side of Crawford Branch.

Shaft sinking on the No. 2 shaft continues and is now at 26.6 feet, having been cribbed to this depth. Other timbering completed includes a separated manway with staggered ladders toabout 26 feet.

Country rock encountered remains to be a highly weathered mica schist, but some weathered pegmatite material was being pentrated 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. E. Shirley

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

K. H. Teague

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

July 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 1954

[redacted]

Room 13, Post Office Building
Knoxville 2, Tennessee

June 2, 1954

Mr. Frank Sierman, President
Minerals Processing Company
200 Church Street
La Grange, Georgia

Re: [redacted]-2579, Contract [redacted]-E 459 - Mica
Mica Industries, Inc.
Baird Cove Mine, Mason County, N. C.

Dear Mr. Sierman:

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. Isaacs and Mr. Shirley will visit the project on their next trip to Asheville.

Sincerely yours,

Robert A. Isaacs
Executive Officer
[redacted] Field Team, Region VII

RAI/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, Idm-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. Sierzma
Minerals Processing Co.
P.O. Box 722
LaGrange, Georgia

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

Dear Mr. Sierzma:

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 June.

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/mk
cc:
Book
Lynch
Gyr. Cont.
Dir. DMEA Files
Lawrence

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

May 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region VII

Subject: DMEA-2579, Idm-459, Baird Cove Mine (mica)
Mica Industries, Inc. Franklin, North Carolina

On Thursday May 27, Mr. Teague met with Mr. Phil Hoyt, Mr. Frank Siersma, 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 short 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
Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

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

Mr. Guy Houk, 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-E459

Dear Mr. Houk:

On November 23, 1954, this office wrote Mr. Frank Siersma, 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 have had no reply to date, and the contract remains in default. We are therefore forwarding herewith for your execution a mutual termination agreement. This agreement protects the Government funds advanced under the contract, and your corporation agrees to pay the Government royalty on any production in the same manner as if a certification of discovery had been made.

If you do not care to enter into the proposed termination agreement, the Government will give you a notice of rescission of the contract with a demand for the repayment of all money contributed under the contract. Your prompt reply is required.

DEFENSE MINERALS ADMINISTRATION

97021

PRODUCTION EXPANSION DIVISION

LOAN APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of loan and interest rate _____

Type of Loan (R.F.C. or Guaranteed Bank Loan) _____

Term of Loan _____

Purpose of Loan — Mine Equipment _____

Mill or Reduction Plant _____

Operating Funds _____

Other _____

Repayment and Rate _____

Comments on Contract: _____

_____

_____

_____

_____

Date sent to Legal Division: _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to R.F.C. by D.P.A. _____

Date Signed into Contract by R.F.C. _____

Additional Remarks: _____

_____

_____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

ROUGH DRAFT

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

INTERIOR DEPT.

JAN 12 1955

SOLICITOR

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

Dear Mr. Houk:

On November 23, 1954, this office wrote Mr. Frank Siersma, former president of Mica Industries, Inc., that the Government would not be disposed to grant additional ~~time~~ of time for performing the work, extensions, and inquired ~~of~~ as to the company's intentions ~~of~~ with respect to resuming work under the subject contract.

~~To date there has been~~ We received to date no reply, and the contract ~~is~~ remains in default. We are therefore forwarding herewith for your execution a mutual termination agreement. This agreement protects the Government funds advanced under the contract, and your corporation agrees to pay the Government royalty on any production in the same manner as if a certification of discovery has been made. ~~Since you are in default of the contract, the contract may be rescinded by unilateral action of the Government with a demand for repayment of the funds advanced.~~

Sincerely yours,

Administrator

If you do not care to enter into this proposed termination agreement, the Govt. will give you a notice of rescission of the contract with a demand for the repayment of all money contributed under the contract. Your prompt reply is required.

DEFENSE MINERALS ADMINISTRATION

97021

PRODUCTION EXPANSION DIVISION

LOAN APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of loan and interest rate _____

Type of Loan (R.F.C. or Guaranteed Bank Loan) _____

Term of Loan _____

Purpose of Loan — Mine Equipment _____

Mill or Reduction Plant _____

Operating Funds _____

Other _____

Repayment and Rate _____

Comments on Contract: _____

_____

_____

_____

_____

Date sent to Legal Division: _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to R.F.C. by D.P.A. _____

Date Signed into Contract by R.F.C. _____

Additional Remarks: _____

_____

_____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

File Copy
Surname:
Houk

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

N.J. ai R.R.

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

EA-2579

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 1/11/55

REFERRED TO:

1. ~~Dockets & Records Section~~
2. ~~Solicitor's Office~~
3. ~~Mr. Hofflund, Room 7349~~
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	

INTERIOR DEPT.
JAN 12 1955
SOLICITOR

REMARKS: Please review the subject letter and prepare the termination agreement.

Check (X) before the items needing attention.

L. G. Houk
Initials of sender.

GPO 16—63815-1

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

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.

a

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

Defense Minerals Administration
RECEIVED
FEB 26 1954

February 24, 1954

Memorandum

To: Operating Committee, D M E A Washington

From: Executive Officer, D M E A Region VII

Subject: DMEA-2579, Idm-E 459 (mica) Mica Industries, Inc.
Baird Cove Mine, Macon County, N. C. Amendment No. 4

Enclosed herewith are 3 copies of amendment No. 4 to the subject exploration contract. The usual distribution of the other copies has been made.

This amendment was needed because the extremely wet December and January weather, plus the condition of the ground at the bottom of the shaft forced a temporary halt and delayed completion of the work. Operator expects to resume work in a few weeks; at that time we will go over the problems with the Operator and prepare Amendment No. 5 if it appears feasible to sink a winze instead of continuing the present shaft.

Robert A. Laurence

Robert A. Laurence

RECEIVED
MAR 18 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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.

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

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

FILE COPY
SURNAME:

Anderson
Hunt
Pontin
Hollund
Selfridge
Mattentory

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 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-2459

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 (JHB)

Approved:

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

T. P. Thayer (JHB)
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

R.C.S.
1-12-54

INTERIM REPORT

DMEA-2579 Idm-E489 (mica) BAIRD COVE MINE

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

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

No work can be reported for this contract during the past three weeks. A visit to the mine and later contact with the operator revealed that due to winter weather the work had to be recessed. The operator stated that work would probably not resume until February, and it was requested that he advise the Field Examiners when operations get underway again.

L. E. Shirley

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

K. H. Teague

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

January 11, 1954

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
DEC 31 1953

INTERIM REPORT

DMEA-2579 Idm-E489 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ 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 DMEA, Region VII, accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

Dewey Amos

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 Siersma, 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

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

K. H. Teague

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

November 30, 1953

INTERIM REPORT

DMEA-2579 Idm-~~E489~~ 459 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Siersma, 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

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

K. H. Teague

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

November 13, 1953

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

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

W. C. Anderson
Nonmetallic Minerals Division

RECEIVED
OCT 20 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

FILE COPY
SURNAME 9/3.

Anderson
Houk

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

October 15, 1953

N.S. in R.R.

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.

S/

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 10/15/53

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

FILE COPY
SURNAME:

Lawrence G. Houk

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

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-E364	October 1, 1953
DMEA-2467	Idm-E469	September 22, 1953
DMEA-2579	Idm-E459	October 11, 1953
DMEA-2882	Idm-E535	September 29, 1953

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

T. P. Thayer (TPT)
Member, Geological Survey

LGHouk:gad 10/8/53

Copy to: Admr. R. File
Docket File
Mr. Houk
Operating Committee
Mr. Dietrich, Rm. 3526
Mr. Larrabee, Rm. G-232, GSA

P. S. Amendment No. 1, Docket No. DMEA-2379, Contract No. Idm-E364 was received in this office October 7, 1953.

R.C.G. 10-13-53

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT - 2 1953

2579 INTERIM REPORT

DMEA-~~2579~~ Idm-E~~409~~ 459 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ miles N 70° W 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 indicated a total depth of 64.5 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. E. Shirley

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

K. H. Teague

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

September 21, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 12 1953

9B

INTERIM REPORT

DMEA-2~~3~~79 Idm-E489 (mica) BAIRD COVE MINE

OPERATOR: Mica Industries, Inc., c/o Frank Siersma, 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 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

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

K. H. Teague

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

July 27, 1953

FILE COPY
SURNAME:

Feitler
Houk

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

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

FILE COPY
SURNAME:

Feitler
Houk
Laurel
Hedges
Eldridge
Robinson

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

JUL 6 1953

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

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

Dear Mr. Siersum:

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. A. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.G.B. 7-6-53

INTERIM REPORT

DMEA-2379 Idm-E489 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ 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 46 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

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

K. H. Teague

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

July 2, 1953

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

June 30, 1953

Memorandum

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

From: Executive Officer, DMEA, Region VII

Subject: Amendment No. 2, Docket No. DMEA-2579, Idm-E459 (Mica)
Mica Industries, Incorporated, Baird Cove Mine,
Macon County, North Carolina

Transmitted herewith are original and two signed copies of the above subject amendment. One copy was retained by the Operator, one by this office, and one forwarded to the Finance Office of this Region.

Robert A. Laurence
Robert A. Laurence
Per G

Enclosures 3

cc
7-2

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

June 11, 1953

Memorandum

To: Operating Committee, D M E A- Washington

From: Field Team, D M EA- Region 7

Subject: DMEA-2579, Idm-E~~489~~ 459 (mica) Baird Cove Mine, Mica Industries. Inc. Opr.

Attached are 4 copies of the latest interim report on the subject exploration contract.

Please note recommendations of field examiners, in the last paragraph. We agree with this recommendation to modify the work plan, but are not preparing an amendment, as the units of drift, crosscut, and shaft will not be different from that authorized in the contract, and the drifting on the pegmatite will be in the area originally anticipated.

Robert A. Laurence

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

Wm A Beck

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

INTERIM REPORT

DMEA-2579 Idm-E~~489~~ 459 (mica) BAIRD COVE MINE

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

LOCATION: $1\frac{1}{2}$ 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 Mashburn, 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 Mashburn 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 putning 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.

L. E. Shirley

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

K. H. Teague

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

June 4, 1953

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

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-E459

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.

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

RECEIVED
JUN 4 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

FILE COPY
SURNAME:

Feitler
Houk

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

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-E459

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.

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
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Room 13, Post Office Building
Knoxville 2, Tennessee

May 25, 1953

Memorandum

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

From: Acting Executive Officer, DMEA, Region VII

Subject: Time Amendments DMEA-2579, Idm-E459 (mica); DMEA-2687, Idm-E425 (mica); DMEA-2277, Idm-E412, (mica); and DMEA-2467, Idm-E469 (mica).

Transmitted herewith are original and two copies of time amendments on the subject contracts which are also listed below. The operators have retained their copies, one copy of each has been retained for our files and one copy of each has been sent to the regional finance office.

DMEA-2579, Idm-E459	Bauer Mining Company (Baird-Cove Mine) Macon County, North Carolina
DMEA-2687, Idm-E425	Sam Phillips, John Phillips, Lin Carpenter and Norman Mashburn (Iotla-Bowers Mine) Macon County, North Carolina
DMEA-2277, Idm-E412	Lin Carpenter, Norman Mashburn and John Phillips, partners, d/b/a Burke John Mica Miners (Burke John Mine) Macon County, North Carolina
DMEA-2467, Idm-E469	Lin Carpenter, James C. Buchanan and Norman Mashburn, partners, d/b/a Macon Mica Miners (Mashburn Prospect) Macon County, North Carolina

Wm. A. Beck

Wm. A. Beck

Enclosures 4

cae 5/27

RECEIVED
JUN 4 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Mr. Feitler

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

JUN 1 1953

June 1, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-~~2913~~ 2579, 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.

W F Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 18 1953

INTERIM REPORT

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

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

LOCATION: $1\frac{1}{2}$ 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 shafting has been accomplished since April 24, 1953 and several factors are responsible for this slow progress: Recent heavy rains, pump failures, and general ground condition at the 40-45 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. E. Shirley, Mining Engineer
U. S. Bureau of Mines

K. H. Teague

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

May 7, 1953

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

BL

April 29, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 1 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer-

Subject: DMEA-2579, Idm-E459, Bauer Mining Co.)Assignment of Contract
)Assignees' Acceptance
)Government's Consent

Transmitted herewith are three signed copies of the above subject documents.

One copy was sent to the Operator, one to the Finance Officer, and one retained by this office.

Wm. A. Beck

Wm. A. Beck

cc
5/4

IN REPLY REFER TO:

G-MD-CNM

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

M. Feitler

April 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 28 1953

2579

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

J. J. Norton

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAY 4 1953

INTERIM REPORT

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

OPERATOR: Mica Industries, Inc., c/o Frank Siersma, 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 on this project and is now down to 42 feet. Material encountered during last 20 feet has been principally a soupy 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.

D. M. Larrabee, Commodity Specialist, U. S. Geological Survey, accompanied the field examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

April 24, 1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 15 1953

7/6/53

April 13, 1953

Memorandum

2579

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

Robert A. Laurence, Executive Officer
DMEA - Region 7

Wm A Beck

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 20 1953

INTERIM REPORT

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

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

LOCATION: $1\frac{1}{2}$ 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

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

K. H. Teague

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

April 10, 1953

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

600

COPY

April 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

PER MR. ADAMS - 4/9/53 - DMEA-2913 WITHDRAWN. MATERIAL IN DOCKET DMEA-2913 TRANSFERRED TO DMEA-2579 (BAUER MINING COMPANY).

FILE COPY
SURNAME:

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

600

Houk
Rudd
Hodges
Lofkedge
Mr. Jones

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

J.C. 4/9/53
APR 9 1953

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-8459. 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,

C. O. Mittendorf (for)

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

PER MR. ADAMS - 4/9/53 - DMEA-2913 WITHDRAWN. MATERIAL IN DOCKET DMEA-2913 TRANSFERRED TO DMEA-2579 (BAUER MINING COMPANY).

FILE COPY
SURNAME:

Houk
Cuthel
~~Hedges~~
~~Selfridge~~

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

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

Re: Docket No. [illegible] - 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.

The field team will evaluate the work proposal in this application as an amendment to the additional work under your present contract with the Bauer Mining Company. This application for exploration assistance is, therefore, denied and the field team will prepare an amendment to the present contract if it is justified.

Incerely yours,

ACTING Administrator

LGHouk:gad 4/3/53

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

7

FILE COPY
SURNAME:

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

600

2913

APR 7 1953

Houk
Selfridge
Jensen

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-R459, 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,

George C. Selfridge

Chairman, Operating Committee

S.H. 4/7/53 (GCS)

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (ARK)

Member, Geological Survey

P. S. This application is cancelled and if additional work is justified it will be as an amendment to the present contract.

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

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS 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

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS 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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 8 1953

INTERIM REPORT

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

OPERATOR: Mica Industries, Inc., c/o Frank Siersma, Franklin, North Carolina.

LOCATION: $1\frac{1}{2}$ 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 DMEA Field Team, accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

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

March 23, 1953

Frank Siersma

Notes on Contracts and Current Applications Involving Frank Siersma

1140 - Pitts Mica Corp. A.W. Reid, Pres., W.H. Hooker, V.P. F.T. Siersma, Asst. Secy & Treas. Mica

5/9/51 - Applied as owner of mineral rights.

7/27/51 - Contract executed

8/14/51 - Mineral rights transferred to Siersma, Reid & Hooker by the Corp. No reference in the Deed to Government's interest. (This information received in May, 1952)

9/19/51 Agreement (Rec. 11/3/52) whereby Reid obtained purchase option on Siersma's 8/25 interest in mineral rights. Final result to be that Reid & Hooker each own 1/2 interest.

10/18/51 Project completed.

2/21/52 Certification of discovery issued.

2121 Georgia-Carolina Mining Co., Inc. - Beryl
F.T. Siersma, V.P.
C.A. Wynn, lessee - assigned to Corp.
Discovery certified. 9/4/52

2150 Reid and Hooker, a partnership. Contains purchase option and MF 203 covering 8/25 interest in the mineral rights from Frank Siersma

Frank Sierosma

2905 Mica Industries, Inc. - Lequire Mini-Mica
Property under lease to E. Sierosma
and H. Mashburn.
Application being processed.

2937 Frank Sierosma - Wilder Mini-Mica
(May be sole proprietor)
Application being processed.

FILE COPY
SURNAME:

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

AEKane
Bmtrin
Houk
Schlesinger
Hoffmann

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 (Mica)
Docket No. DMEA-2579
Macon County, North Carolina
Contract No. Idm-E459

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 Siersma to Mica 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/em 3/26/53
Copy to: Mails & Files
Adm. R. File
Op. Comm.
J. H. Hedges
L. P. Thayer
L. G. Houk
J.L.Hoffluna
A.E.Kane
chron.
pending

Sincerely yours,

George C. Schlesinger

Chairman, Operating Committee

Enclosures

Approved:

J. H. Hedges

~~Member, Bureau of Mines~~

A. R. Kaul, Jr.

Member, Geological Survey

2-3-Misc
Mica Industries, Inc
Baird Cove & Baird Smith Mine
Macon Co., N. C.

Dear Lawrence

Reference is made to the application for exploration by the Bauer Mining Company ~~under~~ Contract Idu E 459, Doc. No. DMEA 2579 ~~now in progress~~ 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 Geol. Surv. & the B. of M are enclosed.

Sincerely yours

R. Y.
Op. Com

8/
3/25/53

Violation of contract
petition grant to assign.

Legal Div.
To: Non metallic Min. Div.

Mar. 18, 1953

Subject: Applic. DMEA 2913
and DMEA 2579 - Contract IdmE 459

2913 is a proposal to do more work on the same property as 2579

Such work, if approved could be set up as a separate contract under 2913 or as an amendment to 2579 (E 459).

Herewith are DMEA 2579 (originally a partnership)
and 2913

Would one procedure be better for the Gov't than the other? This is asked because of the series of transfers etc in connection with 2579

S.F.

RECEIVED
MAR 18 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

see attachment

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 17 1953

March 16, 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

DMEA contract Idm-E459 is now in progress at subject mine. The field team has been associated closely with the activities at this mine. It is recommended that the field team be requested to evaluate the new proposed program to ascertain if this program is justified.

W. F. Dietrich

W. F. Dietrich

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

March 16, 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

DMEA contract Idm-E459 is now in progress at subject mine. The field team has been associated closely with the activities at this mine. It is recommended that the field team be requested to evaluate the new proposed program to ascertain if this program is justified.

W. F. Dietrich

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

MAR 16 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 18 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, D M E A Region 7

Subject: DMEA-2579, Idm-E459, Bauer Mining Company (mica)

Papers covering assignment of the subject contract to Mica Industries, Inc., were given to Frank Siersma for signature on March 13. He will forward them to Bernard Bauer, who is now in Connecticut. When returned to us by Mr. Bauer, copies will be forwarded in the usual manner.

Mr. Siersma says the lease from Paul and Eliza Grist to Zeb Angel and Neil Childress, dated April 19, 1952, has been cancelled and the cancellation recorded. Three copies of this cancellation are enclosed.

Robert A. Laurence

Robert A. Laurence

MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N. C.

DMEA - 2913 - MICA - BAIRD COVE MINE, MACON COUNTY, N. C.

COPY - LEASE CANCELLATION

THIS AGREEMENT, made this 13th day of December, 1952, by and between PAUL GRIST and wife ELIZA GRIST, hereinafter called Lessors, and BERNARD BAUER and FRANK SIERSMA, hereinafter called Lessees by Assignment, all of Macon County, North Carolina, WITNESSETH that

WHEREAS, said Lessors entered into a mining lease with Zeb Angel and Neil Childers, dated April 29, 1952, and said lease is recorded in the office of the Register of Deeds for Macon County in Book 39 at page 491, and

WHEREAS, the said Zeb Angel and Neil Childers subsequently assigned, sold and delivered their entire interests in said lease to Bernard Bauer and Charles W. Nicol, jointly, and

WHEREAS, the said Charles W. Nicol, by instrument dated August 4, 1952, assigned his one half (1/2) undivided interest in said lease to Frank Siersma, and

WHEREAS, the said Bernard Bauer and Frank Siersma are presently Lessees by Assignment,

NOW THEREFORE, in consideration of the foregoing and other good and valuable considerations mutually exchanged between the parties hereto, receipt of which is hereby acknowledged, the parties do hereby desire to terminate said lease, including assignments, forthwith and, therefore do herewith and hereby, to the extent their interests permit, irrevocable and unconditionally terminate, end and discontinue said lease as of this day, agreeing that any liability or obligation of any of the parties, to the others, arising or accruing from said lease and/or its assignments, are fully settled and satisfied and no further obligation to any of the parties exists as of this date.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul Grist (SEAL)
s/ Eliza Grist (SEAL)
s/ Bernard Bauer (SEAL)
s/ Frank Siersma (SEAL)

RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR MACON COUNTY, NORTH CAROLINA, ON JANUARY 3, 1953, IN BOOK C-6 at PAGE 150.

- - - - - - -

MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N. C.

DMEA - 2913 - MICA - BAIRD COVE MINE, MACON COUNTY, N. C.

COPY - LEASE CANCELLATION

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WHEREAS, the said Bernard Bauer and Frank Siersma are presently Lessees by Assignment,

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul Grist (SEAL)
s/ Eliza Grist (SEAL)
s/ Bernard Bauer (SEAL)
s/ Frank Siersma (SEAL)

RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR MACON COUNTY, NORTH CAROLINA, ON JANUARY 3, 1953, IN BOOK C-6 at PAGE 150.

- - - - - - -

MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N. C.

DMSA - 2913 - MICA - BAIRD COVE MINE, MACON COUNTY, N. C.

COPY - LEASE CANCELLATION

THIS AGREEMENT, made this 13th day of December, 1952, by and between PAUL GRIST and wife ELIZA GRIST, hereinafter called Lessors, and BERNARD BAUER and FRANK SIERSMA, hereinafter called Lessees by Assignment, all of Macon County, North Carolina, WITNESSETH that

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul Grist (SEAL)
s/ Eliza Grist (SEAL)
s/ Bernard Bauer (SEAL)
s/ Frank Siersma (SEAL)

RECORDED IN THE OFFICE OF THE REGISTER OF DEEDS FOR MACON COUNTY, NORTH CAROLINA, ON JANUARY 3, 1953, IN BOOK C-6 at PAGE 150.

- - - - - - -

ROUGH DRAFT

Dear Mr. Laurence:

Reference is made to your memorandum of March 16th on assignment of contract and lease cancellation.

The assignment prepared in this office is made invalid by the lease cancellation. Please return all copies to this office. No payments under the contract may be made until the assignment is corrected.

The government will not approve the assignment of the contract from Bauer Mining Company to Mica Industries and will require the original contractor to complete the work.

Enclosed is copy of our letter to the applicant on the subject.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 30 1953

INTERIM REPORT

DMEA-2579 Idm-E459 (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, DMEA, 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
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

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

March 12, 1953

P-1

Bauer Mining Co. 2579 - Mica
Baird Cove Mine

History of Lease and changes in identity of applicant.

6/11/52 Applic by B.N.C. Mica Co.
Partners: Bernard Bauer
Chas. W. Nicol
Neil Childers
Lease (with MF 203) dated 4/29/52
→ to Zeb Angel and Neil Childers

5/16/52 Zeb Angel 1/2 int. to Nicol & Bauer
(Retains 1/4 of net profit)
6/5/52 Zeb Angel gives up his right
to 1/4 of net profit.
6/14/52 Neil Childers → 1/4 interest
to Nicol & Bauer (Neil Childers
gives up all his interest)
6/12/52 Neil Childers → 1/4 interest
to Nicol & Bauer.

8/4/52 Chas Nicol → Frank Siersma

Contract 12/11/52 to Bauer Mining
Co Partners: Bauer & Siersma

Bauer Mining Co. 2577-Mica

1/12/53 MF 104 for January
Bulldozing 211.00
Gov't Share 189.90
Stage I Completed

2/13/53 Letter to Laurence - Reg. VII
from F. Sierama
Sierama has transferred
his ½ interest in the lease
to Mica Industries, Inc.
a Corporation together with
an option to purchase
Bernard Bauer's ½ interest.
He is ready to handle
the execution of the necessary
papers to arrange transfer
of the contract.

3/4/53 Agreement for assignment of
contract to Mica Industries
sent to field for execution

3/16/53 Laurence transmitted copy of agreement
dated 12/13/52 terminating
original lease dated 4/29/52
[12/13/52] New lease Grant to Bauer & Sierama
submitted with new applic. 2913
filed 3/2/53.

IN REPLY REFER TO:

G-MD-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1953

Memorandum

March 9, 1953

REVIEW OF APPLICATION DMEA-2913 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Mica Industries, Inc., P. O. Box 336, Franklin, North Carolina.
Name of property: Baird Cove (Baird-Smith) mine.
Location of property: About 2 miles northwest of Franklin in Macon County, North Carolina.
Estimated cost of project: $28,400.00.
Summary of applicant's proposal:

Construct three shafts at locations shown on attached sketch. Two of these will be of 75 and one of 85 feet; each with cross-cutting and drifting of 150 feet.

Shaft 1 being worked under contract Idm-E-459.

Sources of information on applicant's property:

1) Jahns, R. H., Baird (Smith) mines: Mica deposits of the Blue Ridge province, North Carolina and Georgia, U. S. Geological Survey Unpub. Prof. Paper, 5 pp.

2) Jahns, R. H., and Lancaster, F. W., 1950, Physical characteristics of commercial sheet muscovite in the southeastern United States: U. S. Geological Survey Prof. Paper 225, p. 50.

3) Larrabee, D. M., December 23, 1943, Baird mica mine, Macon County, N. C.: U. S. Geological Survey Unpublished Report, 8 pp.

4) Larrabee, D. M. and Klepper, M. R., December 24, 1943, Baird mica mine, Macon County, N. C. (supplementary map): U. S. Geological Survey Strategic minerals investigations preliminary map.

5) Colonial Mica Corporation Punch Card.

Comments:

1) According to Colonial Mica records, $22,046.28 worth of ruby mica was produced.

2) Larrabee recommended (1943) that future prospecting and development be done in the northwestern part of the property, between the old workings shown on the map and a point 100' north of the house west of the map, in hope of encountering the continuation of the quartz-core pegmatite formerly worked. He also recommended that future prospecting be confined to areas outside those known or supposed to be honeycombed with abandoned workings.

RECOMMENDATION:

Field examination.

D M Larrabee

D. M. Larrabee

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2913
Metal or Mineral
Date Received 3-2-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: MICA INDUSTRIES INC.
P. O. BOX 336 a North Carolina Corporation
FRANKLIN, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract. BEING the lands conveyed by deed dated October 15, 1936, from Gilmer A. Jones, Commissioner, to M. D. Billings, registered in the office of the Register of Deeds for Macon County, North Carolina, in Book A-4 at page 192.

(*b*) State any mine name by which the property is known. BAIRD-COVE and BAIRD-SMITH MINE

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

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

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? – yes

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

February 24th

3

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for MICA INDUSTRIES INC. the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

President

Dated February 24th, 1953

MICA INDUSTRIES INC.
(Applicant)

By Maud Siersma - President

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 MICA INDUSTRIES INC. P.O.BOX 336 FRANKLIN, N.C. - MICA - BAIRD-COVE MINE

1. (c) OFFICERS: PRESIDENT FRANK SIERSMA
VICE PRESIDENT N. E. MASHBURN
SECRETARY-TREASURER: L. S. PINLAND

3. (d) ATTACHED: Copy of lease to Bauer & Siersma.
Copy of Option to purchase Bauer Interest.
Copy of Assignment to Mica Industries Inc.
Owner's Consent to Lien (6 copies).

4. (a) A DMEA contract, Idm-k 459 (Docket No. DMEA 2579), dated December 2, 1952, has been issued to construct a 75 foot shaft,
(b) with drift and crosscut to 150 feet. Stage I of same has been completed. Stage II will start upon receipt of insurance (not
(c) over 2 weeks). Because it is certain that large commercial ore bodies will be uncovered at this western end of the property,
(d) it is desired that consideration be given to this application during the time present contract work is in progress.

(e) This mine was worked during the last war by a Mr. Snow who sold entire output to the Colonial Mica Corporation. He is reported to have employed as many as 52 sheeters to handle production from one shaft. It is a matter of local knowledge that the great many shafts sunk in the past (estimated at from 19 to 40) have all permitted recovery of exceptionally large blocks of strategic ruby mica - sheeting into large patterns. Applicant now holds a sheet, mined during the last war, which measures over 6 inches wide, 14 inches long and one eighth inch thick. Local miners who have worked in the Baird-Cove mine claim this piece to be a "small one".

The mine is reported in "Geological Survey Professional Papaer 225", 1950. 796 pieces tested resulted in 100% E-1; type of material - 3, 4, 5, 6 (no stain). Dumps all over the property still contain pieces of 16 square inches and more.

Various estimates of the size of this pegmatite have been made, but the concensus of opinion places it at 100 feet wide and over 500 feet long, as a minimum. Past shafts have not extended below approximately 65 feet because of water conditions and inadequate pumping facilities. Mica has been encountered at the depth of most, and size appears to increase with depth. Present shaft, under contract Idm-k 459 will be 75 feet deep and accomodate a sump pit to aid in draining the area. This will permit extensive operation within the exploratory area.

By reason of all past work, it si considered that this property holds a tremendous body of mica which can only be recovered by sinking a series of shafts throughout the pegmatite, to a sufficient depth to allow for crosscutting and drifting. Such is the purpose of this application.

Property is located about 2 miles northwest of Franklin town limits; reached over State Highway 64 and Furlow Springs Road, a hard surface road direct to mine. (Franklin is the shipping, supply and residence center).

Sufficient manpower, supplies, etc., are available for all purposes.

This property is ideally situated on rolling lands - not mountainous. It can be reached at all times, regardless of weather, by automobile, and presents many conditions which allow for extremely economical operation after suitable exploration work is completed.

5. (b) Through past explorations and operations it has become known that property holds a vast pegmatite area which to depths of 45 to 55
(c) feet is very wet. To a large extent this is caused by a branch, or stream, running through it. Below 55 feet the ground hardens
(d) and the quality of mica improves. Various methods of exploration have been suggested by engineers but the one proposed by Kefton F. Teague (DMEA Field Team), when approving application resulting in Contract Idm-E 459, is conceded to be by far the most practical and most economical. Applicant desires to enlarge upon that method by sinking several shafts, crosscutting and drifting from each, so that maximum possible production might be obtained. This will permit concentrated working within the pegmatite body, at 75 foot depths, and by locating pumping sump pits at bottom of each shaft the entire area can be kept dry - for continued operation.

For purposes of this application, the work being done under Contract Idm-E 459 is being termed as Shaft No. 1.

It is proposed to construct three (3) additional shafts at locations appearing on attached sketch. Two of these will be of 75 and one of 85 feet; each with crosscutting and drifting of 150 feet. The sketch placed proposed sites as related to past workings and their contacts with the ore-bearing beds.

The work will start upon receipt of contract. It is believed at this time that 3 shifts will be employed at each shaft and they can be completed within 20 working days.

Careful study of this mine formation results in the knowledge that it requres the experience of supervision by men who are familiar with every phase of shaft construction. Such men are officers of applicant corporation - Norman Mashburn and L. S. Penland. Mashburn has mined and operated in this area, by every known method, for the past 20 years. Many years ago he put down two shafts in this Baird-Cove mien and is well acquainted with the pegmatite formation. Penland has spent over 30 years in tunnel and shaft construction in this district, in a great many states and in foreign countries. His work has included both small and large operations in every known earth formation. One of his last jobs was that of full supervision of 3 shafts, to a depth of 1.600 feet and a tunnel 17 miles long - in New York State. He has built shafts with timber, steel and concrete. This corporation is equipped to successfully complete the exploratory work as outlined.

6. It is anticipated that the Field Team will approve the exploration on a footage contract basis. Estimate of costs will include 25 hours of bulldozing to prepare for each shaft, at $12.00 per hour ($300.00), $50.00 per foot with timber, and $35.00 per foot for crosscutting and drifting. Total estimates - Shaft No. 2, $9,300.00; Shaft No. 3, $9,300.00; Shaft No. 4, $9,800.00. (These estimates are considered in the event Field Team should decide that construction of each shaft should be with timber).

Exploration as outlined will make the Baird-Cove mine the most outstanding, from a point of production, of any in the district.

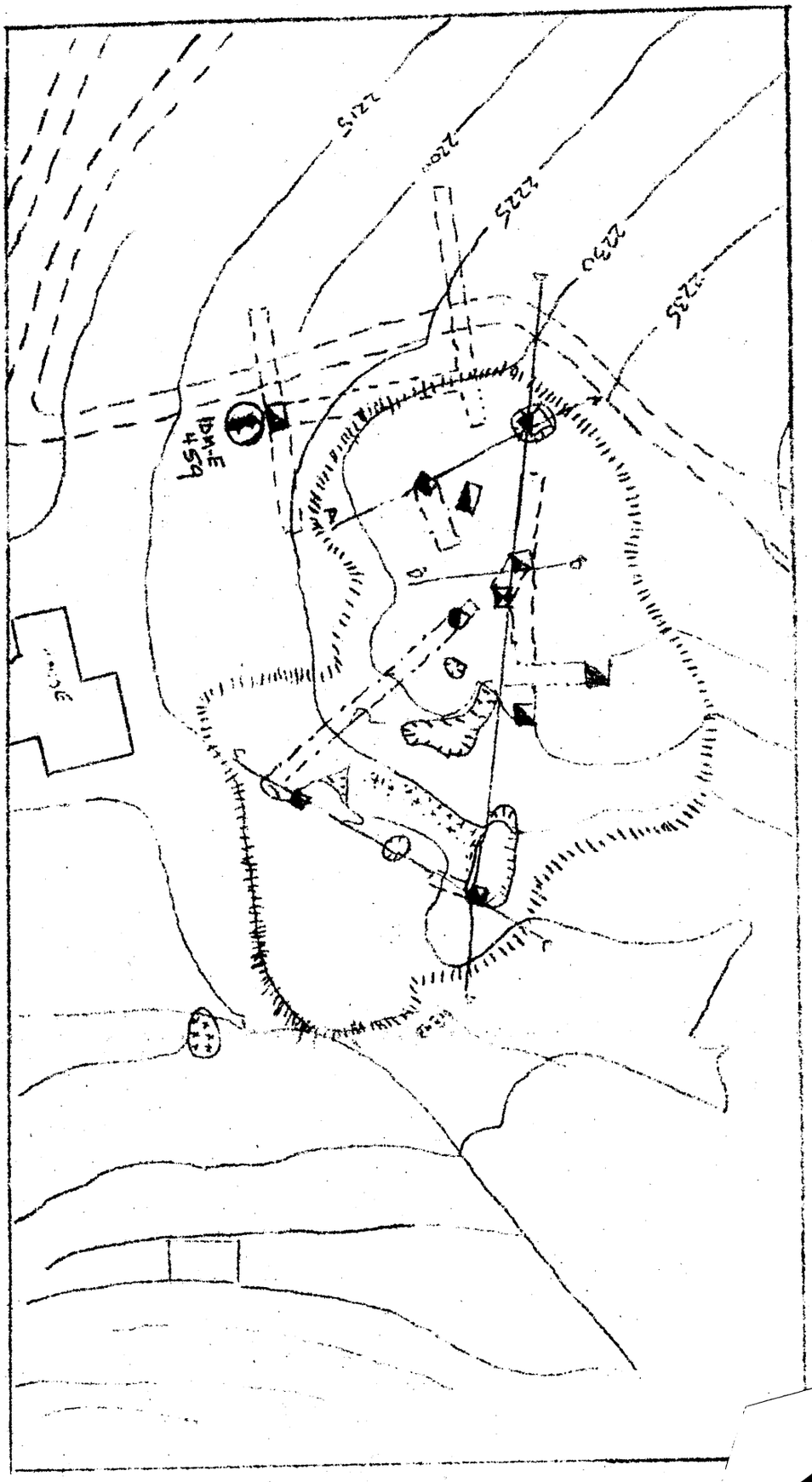
- - - - -

MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N.C.

- MICA -
BAIRD-COVE
MINE

PRESENT EXPLORATION - SHAFT NO. 1.

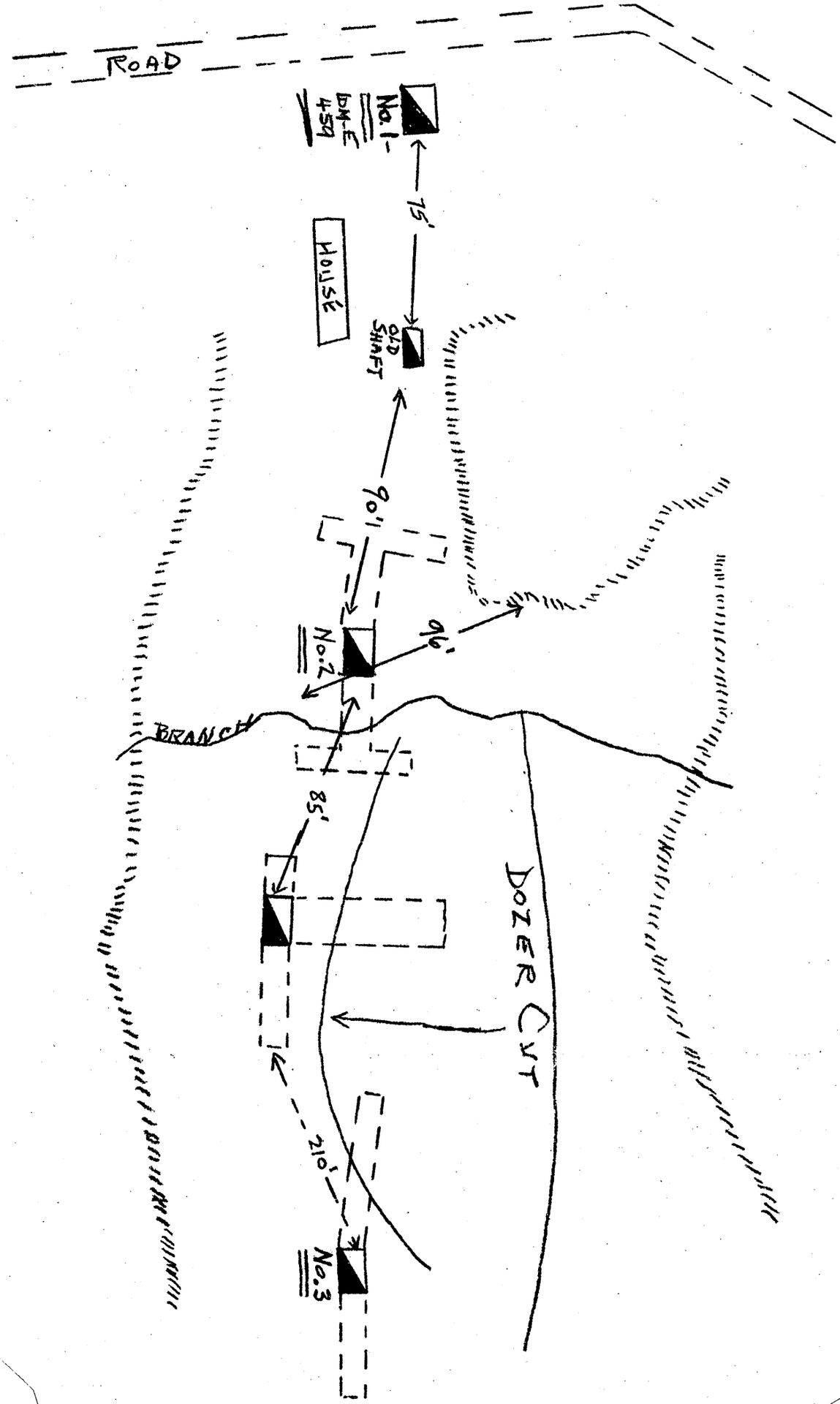
CONTRACT NO. Idm-E 459.



MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N.C. - MICA -
BAIRD-COVE MINE

PROPOSED EXPLORATION - SHAFTS NOS. 2, 3 &4.

CONSIDERED TOTAL PEGMATITE AREA - //////.



NORTH CAROLINA

MACON COUNTY

THIS LEASE AGREEMENT, Made and entered into this 13th day of December, 1952, by and between PAUL L. GRIST and wife ELIZA COBB GRIST, hereinafter referred to as Lessors, and BERNARD BAUER and FRANK SIERSMA, trading as Bauer Mining Company, hereinafter referred to as Lessees, all of Macon County, North Carolina,

WITNESSETH, that subject to the terms and conditions hereinafter set forth, said Lessors do hereby let and lease unto said Lessees, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals, metals and stones now in, under and upon a certain tract or parcel of land lying and being in Macon County, North Carolina, consisting of 129 acres more or less, described as follows:

> BEING the lands conveyed by deed dated October 15, 1936, from Gilmer A. Jones, Commissioner, to M. D. Billings, registered in Book A-4 at page 192, and being the same lands described in a deed from C. C. Smith and wife Emma Baird, recorded in the Registers' Office for Macon County, North Carolina, in Book AA at page 340.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for date for a period of ten (10) years.

2. As rental or royalty Lessees, their heirs and assigns, shall pay to Lessors a sum equal to twelve and one half percent (12½%) of the sales price of sheet or block mica, Two Dollars ($2.00) per ton for scrap mica, Fifty Cents (50¢) per ton for feldspar and five percent (5%) for all other minerals mined and sold from said property.

3. In the ~~we~~ event mining operations on said property do not commence by March 1, 1952, Lessees shall pay to Lessors the sum of Twenty Five Dollars ($25.00) per month as minimum royalty, and said sum shall further be paid monthly, during the term of this lease.

4. All royalties shall be paid on or before the 20th day of each calendar month following the production, sale and receipt of the sale price thereof, and the aforementioned minimum royalty shall be considered a part of each monthly earned royalty. In the event Lessees, their heirs or assigns shall fail to pay the royalties as herein stated on the 20th day of each month, Lessors may, by written notice to Lessee, its heirs or assigns, allow them to correct such condition or declare this lease to be null and void.

5. Lessors acknowledge receipt of One Hundred Seventy Five Dollars ($175.00) minimum royalty, previously paid by Bernard Bauer and agree that said sum shall be calulated as being part of total royalties and credited to same.

6. Lessees, their heirs and assigns, shall keep an accurate record of all sales from this property and same shall be open for inspection by Lessors at reasonable times.

7. In the event Lessees apply for Government aid to explore or operate said property, Lessors agree to execute and deliver any required subordination agreement in connection with same.

So long as this lease remains in force the Lessees, their heirs and assigns, in connection therewith, shall have and enjoy all the necessary and convenient rights and privileges associated with mining operations as held by Lessors.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul L. Grist
s/ Eliza Bobb Grist
s/ Bernard Bauer
s/ Frank Siersma

NORTH CAROLINA

MACON COUNTY

THIS OPTION, Made and entered into this 9th day of January, 1953, by and between BERNARD BAUER, of the first part, and FRANK SIERSMA of the second part, both of Macon County, North Carolina,

WITNESSETH; That for and in consideration of the sum of One Dollar($1.00), to him in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby grant, bargain, sell and convey to the party of the second part, his heirs and assigns, the exclusive right and option to purchase from him, his onehalf (1/2) interest in and to the following lease and contract:

BEING that certain lease from Paul Grist and Eliza Cobb Grist to Bernard Bauer and Frank Siersma, dated December 13, 1952, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Book C-6 at page 161; said lease covering the mineral rights and mining privileges on the Baird Cove mine, and

BEING Contract No. Idm-E 459, dated December 11, 1952, between the United States of America and the Bauer Mining Company, to explore for minerals in the Baird Cove mine.

THE TERMS AND CONDITIONS OF THIS OPTION ARE AS FOLLOWS:

1. The purchase price for the one half (1/2) interest in the above mentioned lease and contract shall be:

   (a) Three Thousand Dollars ($3,000.00) in cash upon delivery of instrument(s) transferring said lease and contract, or

   (b) Five Thousand ($5,000.00), payable Fifteen Hundred Dollars ($1,500.00) in cash at the time of sale and the balance of Thirty Five Hundred Dollars ($3,500.00) payable at the rate of Two Percent (2%) of the gross selling price of all minerals mined and sold from said Baird Cove mine.

2. Should the party of the second part, his heirs or assigns, at any time during the existence of this option, or any extensions thereof, tender to the party of the first part the sum of Three Thousand Dollars ($3,000.00), the party of the first part agrees to immediately deliver a bill of sale covering his one half (1/2) interest in the above lease and contract.

3. Should the party of the second part, his heirs or assigns, tender to the party of the first part the sum of Fifteen Hundred Dollars ($1,500.00) and an agreement to pay a further sum of Thirty Five Hundred Dollars ($3,500.00), the party of the first part agrees to immediately deliver a bill of sale covering his one half (1/2) interest in the above lease and contract, PROVIDED said agreement includes the following clauses:

   (a) Said further sum to be paid at the rate of Two Percent of the gross selling price of all minerals mined and sold from the Baird Cove mine.

   (b) Said Two Percent (2%) shall be paid on the 20th day of each calendar month following the sale of said minerals, accompanied with a statement listing such sales, and the party of the second part, his heirs or assigns shall keep and make available to the party of the first part all necessary books and records covering the operation of the Baird Cove mine.

   (c) In the event operation of the Baird Cove mine should cease for a period of sixty (60) days further payments due to the party of the first part shall cease, but, in lieu of any remaining unpaid amount the party of the first part shall automatically regain his one half (1/2) interest in said lease and contract, without any charge whatsoever for same.

IN WITNESS WHEREOF, the parties hereto have this day set their hands and seals hereto.

s/ Bernard Bauer
s/ Frank Siersma

NORTH CAROLINA

MACON COUNTY

I FRANK SIERSMA, of Macon County, North Carolina, for and in consideration of the sum of ONE DOLLAR ($1.00) AND OTHER GOOD AND VALUABLE CONSIDERATIONS, do hereby sell, assign and transfer to

MICA INDUSTRIES, INC.

all my one half (1/2) right, title and interest in and to the following described lease:

> BEING the lease executed to BERNARD BAUER and FRANK SIERSMA on December 13, 1952, from Paul E. Grist and wife Eliza Cobb Grist, a copy of which lease is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this the 10th day of February, 1953.

s/ Frank Siersma

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1953

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

Memorandum

March 9, 1953

REVIEW OF APPLICATION DMEA-2913 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Mica Industries, Inc., P. O. Box 336, Franklin, North Carolina.
Name of property: Baird Cove (Baird Smith) mine.
Location of property: About 2 miles northwest of Franklin in Macon County, North Carolina.
Estimated cost of project: $28,400.00.
Summary of applicant's proposal:

Construct three shafts at locations shown on attached sketch. Two of these will be of 75 and one of 85 feet; each with cross-cutting and drifting of 150 feet.

Shaft 1 being worked under contract Idm-5-459.

Sources of information on applicant's property:

1) Jahns, R. H., Baird (Smith) mines: Mica deposits of the Blue Ridge province, North Carolina and Georgia, U. S. Geological Survey Unpub. Prof. Paper, 5 pp.

2) Jahns, R. H., and Lancaster, F. E., 1950, Physical characteristics of commercial sheet muscovite in the southeastern United States: U. S. Geological Survey Prof. Paper 225, p. 50.

3) Larrabee, D. M., December 23, 1943, Baird mica mine, Macon County, N. C.: U. S. Geological Survey Unpublished Report, 8 pp.

4) Larrabee, D. M. and Klepper, M. R., December 24, 1943, Baird mica mine, Macon County, N. C. (supplementary map): U. S. Geological Survey Strategic minerals investigations preliminary map.

5) Colonial Mica Corporation Punch Card.

Comments:

1) According to Colonial Mica records, $22,046.28 worth of ruby mica was produced.

2) Larrabee recommended (1943) that future prospecting and development be done in the northwestern part of the property, between the old workings shown on the map and a point 100' north of the house west of the map, in hope of encountering the continuation of the quartz-core pegmatite formerly worked. He also recommended that future prospecting be confined to areas outside those known or supposed to be honeycombed with abandoned workings.

RECOMMENDATION:

Field examination.

D. M. Larrabee

D. M. Larrabee

cc: DMEA ✓

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 95, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1953

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 Elisa 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 Elisa 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.

Robert A. Laurence

RAL/zm
cc:
Beck
Lynch
Files

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)

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/s/ Robert A. Laurence

Robert A. Laurence

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1953

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.

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Robert A. Laurence

Robert A. Laurence

n

March 4, 1953

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

Subject: DMEA-2913
Re: Exploration Assistance
Baird-Cove & Baird-Smith Mine

My dear Mr. Siersma:

The receipt of your application dated February 24, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2913 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2913 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

FILE COPY
SURNAME:

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

AEKane
Hofflund
Selfridge

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-2579
Contract No. Idm-E459

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 Siersma 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 Siersma, 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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 18 1953

February 16, 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) Baird Cove Mine.

Enclosed is a letter from Mr. Frank Siersma, concerning transfer of ownership of the lease on the Baird Cove Mine. If the porposed assignment of the contract to Mica Industries, Inc., is acceptable, please have the necessary papers prepared and sent to either me or direct to Mr. Siersma for signature.

Robert A. Laurence

Robert A. Laurence

RECEIVED
FEB 19 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

MINE & MINERAL
CONSULTANT

TELEPHONE 791
MAIL ADDRESS:
P. O. BOX 336

FRANK SIERSMA
SUITE 19 BANK BUILDING
FRANKLIN, NORTH CAROLINA

February 13, 1953

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

Re: Contract Idm-E 459
Docket DMEA 2579
Baurer Mining Co.

Dear Mr. Laurence:

L. S. Penland, N. E. Mashburn and myself have formed a corporation - MICA INDUSTRIES INC.

I have assigned my one half interest in the Baird-Cove lease to the corporation; together with an option to purchase the interest of Bernard Bauer, who has returned to Connecticut.

Arrangements have been completed to proceed with the above contract and this will be done as soon as insurance coverage is effected (expected within 10 days).

This information is furnished for your files.

I presume you will require certain papers to be executed, transferring the contract to Mica Industries Inc. If you will prepare them we will handle from this end.

Sincerely yours,

Frank Siersma

FTS:em

Frank Siersma

RECEIVED
FEB 16
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

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

February 16, 1953

Mr. Frank Sierema
Box 336
Franklin, N. C.

Re: DMEA-2579, IdmE-459(mica)
Bauer Mining Co.

Dear Mr. Sierema:

I have received your letter of February 13, in which you state that you have assigned your half interest in the Baird Cove lease to Mica Industries, Inc.

I am forwarding this to our Washington office for instructions from the Legal Division, as it is my understanding that a contract cannot be transferred or assigned except with written consent of the Government (see Article 10). Necessary papers and instructions will be sent to you when available.

Very truly yours,

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

RAL/mm

cc:

Beck

Lynch

Opr. Committee

Files

C O P Y

C O P Y

FRANK SIERSMA

Franklin, North Carolina
February 13, 1953

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

Re: Contract Idm-E 459
Docket DMEA-2579
Bauer Mining Co.

Dear Mr. Laurence:

L. S. Penland, N. E. Mashburn and myself have formed a corporation - MICA INDUSTRIES INC.

I have assigned my one half interest in the Baird-Cove lease to the corporation; together with an option to purchase the interest of Bernard Bauer, who has returned to connecticut.

Arrangements have been completed to proceed with the above contract and this will be done as soon as insurance coverage is effected (expected within 10 days).

This information is furnished for your files.

I presume you will require certain papers to be executed, transferring the contract to Mica Industries Inc. If you will prepare them we will handle from this end.

Sincerely yours,

s/
Frank Siersma.

Copies by- zm
2/16/52
cc: Washinton -2
Beck
Laurence

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

Omer 2579

January 29, 1953

Mr. Bernard Bower
Bower Mining Company
Box 336
Franklin, North Carolina

Dear Mr. Bower:

Attached is a Safety Inspection Report of your Baird Cove Mine made by Mr. Roy C. Stott, mining health and safety engineer, on January 7, 1953.

Very truly yours,

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

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

JSW.

mcm

SAFETY INSPECTION REPORT
BAIRD COVE MINE (MICA)
(NEAR) FRANKLIN, MACON COUNTY, NORTH CAROLINA

January 7, 1953

By

Roy G. Stott
Mining Health and Safety Engineer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SAFETY INSPECTION REPORT
BAIRD COVE MINE (MICA)
(NEAR) FRANKLIN, MACON COUNTY, NORTH CAROLINA

January 7, 1953

by

Roy G. Stott
Mining Health and Safety Engineer

INTRODUCTION

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

GENERAL INFORMATION

The Baird Cove mine is operated by the Bower Mining Company, a partnership of Bernard Bower and Frank Siersma of Franklin, North Carolina. A D. M. E. A. exploration loan has been applied for under Docket No. 2579, Contract Idm E-459.

The mine is located about 1.8 airline miles S85°E of Franklin, Macon County, North Carolina.

No work was being done at the time of inspection. A clearing had been dozed stripping aside 4 to 10 feet of clay overburden exposing the pegmatite vein. Abandoned underground workings are to the north and east of this location. A vertical 5-foot by 7-foot shaft is to be sunk 75 feet deep from a point 25 feet south of the exposed vein. An aggregate of 150 feet of drifting and cross-cutting is proposed from the shaft bottom. This latter development will be approximately 35 feet below the old workings.

The vein strikes approximately east-west and dips about 60 degrees to the south. The proposed shaft should intersect the vein at or before 75 feet in depth.

SAFETY RECOMMENDATIONS

The mine was inactive at the time of inspection; however, a general safety discussion was held with Bernard Bower. Among the topics discussed were the safe use of explosives, continuous automatic pumping to keep water down, use of protective hard hats and safety shoes, and a

recommended timbering plan. The timbering plan recommended included 3-inch by 6-inch oak shaft cribbing and manway partition wall, and 4-inch by 6-inch oak drift sets on 5-foot centers lagged with 3-inch by 6-inch oak lagging.

ACKNOWLEDGMENT

The cooperation of Bernard Bower is gratefully acknowledged.

Respectfully submitted,

/s/ Roy G. Stott

Roy G. Stott
Mining Health and Safety Engineer

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 26 1953

January 23, 1953

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: DMEA-2579, Idm-E 249, Bauer Mining Co. (mica)
Owner's Consent to Lien.

Enclosed herewith is the Government's copy of form MF-203 for the subject exploration contract, with the inserted date initialed by the owners, as requrested in your letter of January 14, 1953.

Robert A. Laurence

Robert A. Laurence

FILE COPY
SURNAME:

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

600 JAN 1 4 1953

Feitler
Houk
Selfridge

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

Subject: Docket No. DMRA-2579 - Mica
Bauer Mining Company
Baird Mica Mine
Macon County, North Carolina
Contract No. Idm-3459

Dear Mr. Laurence:

Reference is made to the subject contract for exploration at the Baird Mica Mine, Macon 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 Eliza 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,

G. C. 1/14/53

George C. Selfridge (JHB)

Chairman, Operating Committee

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

T. P. Thayer (JHB)

Member, Geological Survey

Enclosures (1)

SAFeitler:fls 1/9/53

Copy to: Admr. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 Bldg.
Mr. Houk

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 15 1953

INTERIM REPORT

DMEA-2579 Idm-E459 (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, 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

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

December ~~30~~ 29, 1952

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

Room 13, Post Office Building
Knoxville 2, Tennessee

December 29, 1952

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Signed Contracts - DMEA-2579, Idm-E459 (mica) N. C.

Attached are three signed copies of the above subject contract. One copy was retained by this office, one sent to the Finance Officer and one retained by the Operator.

Robert A. Laurence
Robert A. Laurence

zm

cc
12.31

FILE COPY
SURNAME:

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

Feitler
Houk
Chandler

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-2579 - 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 (EWE)
ACTING Chairman, Operating Committee

Approved:

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

A. R. Kinkel, Jr. (WB)
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

D.H. 12-11-52

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

December 3, 1952

Memorandum

To: L. G. Houk

From: Chief Counsel

Subject: Bauer Mining Company - Docket No. DMEA-2579 (Mica)

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the insertion in the Owner's Consent to Lien of the amount of the Government's lien and the date of the instrument's execution, which must precede that of the contract.

J. L. Hofflund
Chief Counsel

Attachment

2579

FILE COPY
SURNAME:

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

140

December 3, 1952

Memorandum

To: L. G. Houk

From: Chief Counsel

Subject: Bauer Mining Company - Docket No. DMEA-2579 (Mica)

There is attached, in satisfactory legal form for execution, a contract covering the above-described project, subject to the insertion in the Owner's Consent to Lien of the amount of the Government's lien and the date of the instrument's execution, which must precede that of the contract.

J. L. Hofflund
J. L. Hofflund
Chief Counsel

Attachment

AEKane/ema
Mails & Files
J. L. Hofflund
AE.Kane
Chron.

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

600

November 17, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Resume - Docket No. DMEA-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 now operator will be Bernard Bauer and Frank Siersma, 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 Teague, Region VII, regarding trenching and the program proposed by the field team.

U.S.G.S. memo. Received 10/31/52
No additional action by U.S.G.S. necessary.

Attached contract prepared 11/12/52.

To legal 11/17/52

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Feitler
Hook

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

600

November 17, 1952

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

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Bauer Mining Company, Baird Mine
Cullasaja, North Carolina
Macon County, North Carolina

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Attached contract prepared 11/12/52.

To legal 11/17/52

SAFeitler

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:fls

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

Cullasaja, N. C.
November 6, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 10 1952

Defense Minerals Expl. Adm.
Department of the Interior
Washington 25, D. C.

Re: Docket 2579

Mr. Fatten

Attention: Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Gentlemen:

On October 16, 1952, I supplied you with additional data in connection with the above application. A reply in connection therewith has not been received so I believe the information you now have is complete.

Certain papers I sent included original instruments and lease. These I would like to have for my file and would appreciate their return if they have served their purpose.

I would also like to know when I might anticipate the contract so that I can start the work before bad weather sets in.

Sincerely yours,
Bernard Bauer

Bernard Bauer, Partner
Bauer Mining Co.

COPY

NORTH CAROLINA
MACON COUNTY

THIS ASSIGNMENT, Made and entered into this the 16th day of May, 1952, by ZEB ANGEL, party of the first part, to CHARLES W. NICOL and BERNARD BAUER, parties of the second part,

WITNESSETH:

That for and in consideration of the sum of One Dollar, the receipt of which is acknowledged, and the further consideration of the conditions hereinafter enumerated to be performed by parties of the second part, the party of the first part does hereby transfer, assign and set over unto the parties of the second part, their heirs and assigns, an undivided one-half ($\frac{1}{2}$) interest in a certain lease executed by Paul Grist and wife, Eliza Cobb Grist, to Zeb Angel and Neil Childers, dated April 29, 1952, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book ~~A-6,~~ 39 page 491.

The parties of the second part, their heirs and assigns, agree to operate under said lease and abide by the terms thereof, and further agree that as a part of the consideration of this assignment that they will pay to the party of the first part one-fourth ($\frac{1}{4}$) of all the net profits derived from the operation of the mine mentioned in said lease, and that they will keep accurate accounts of the operation of said mine and the books showing the transactions shall be open for the inspection of party of the first part when he may desire to inspect the same.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

/s/ Zeb Angel (SEAL)

/s/ Bernard Bauer (SEAL)

/s/ Charles W. Nicol (SEAL)

COPY

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day ZEB ANGEL, CHARLES W. NICOL AND BERNARD BAUER, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this 16th day of May, 1952.

/s/ Cecile Gibson
Notary Public, Macon County, N. C.

My Commission Expires December 22, 1953

NORTH CAROLINA, MACON COUNTY.

THE FOREGOING CERTIFICATE of Cecile Gibson NOTARY PUBLIC of Macon County, State of N. C. attached by her notarial seal, is adjudged to be correct.
Let the instrument, with the certificates, be registered.
Witness my hand and official seal,

this 16 day of May 1952

/s/ Kate McGee
Clerk Superior Court

Filed for registration on the 16 day of May 1952 at 10:45 O'clock A.M., and registered and verifie in the office of the Register of Deeds for Macon County in Book No. A-6, Page 487 This 16 day of May 1952

Iake V. Shape /s/
Register of Deeds for Macon County

NORTH CAROLINA
MACON COUNTY

WHEREAS, on May 16, 1952, ZEB ANGEL transferred and assigned his undivided one-half (1/2) interest in a lease executed by Paul Grist and wife to Zeb Angel and Neil Childers to CHARLES W. NICOL and BERNARD BAUER; and

WHEREAS, in said agreement assigning the one-half (1/2) interest in the lease, the said CHARLES W. NICOL and BERNARD BAUER agreed that they would pay to ZEB ANGEL one-fourth (1/4) of all the net profits derived from the operation of the mine mentioned in this lease; and

WHEREAS, the said ZEB ANGEL has this day agreed to release the said CHARLES W. NICOL and BERNARD BAUER from any payment to him of said net profits:

NOW, THEREFORE, for and in consideration of the sum of One & no/100 ($1.00) Dollars and other valuable consideration, ZEB ANGEL does hereby release and discharge CHARLES W. NICOL and BERNARD BAUER from any liability to pay to him any profits derived from the operation of the said Grist Mine, and the one-half (1/2) interest in the lease above mentioned heretofore conveyed to them shall be theirs, free and clear from any right of the said ZEB ANGEL under the same.

WITNESS my hand and seal, this the 5th day of June, 1952.

/s/ Zeb Angel (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day ZEB ANGEL, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this the 5th day of June, 1952.

/s/ Neal Johnston
Notary Public, Macon County, N.C.

My Commission Expires Oct. 9, 1952

COPY

NORTH CAROLINA
MACON COUNTY

THIS AGREEMENT, Made and entered into this the 12th day of June, 1952 by NEIL CHILDERS, party of the first part, to CHARLES W. NICOL and BERNARD BAUER, parties of the second part,

WITNESSETH:

That for and in consideration of the sum of One Dollar and other valuable consideration to him in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby transfer, assign and set over unto the parties of the second part, their heirs and assigns, an undivided one-fourth (1/4) interest in a certain lease executed by Paul Grist and wife, Eliza Cobb Grist, to Zeb Angel and Neil Childers, dated April 29, 1952 and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Book No. 39, page 491.

IN TESTIMONY WHEREOF, the party of the first part has hereunto set his hand and seal the day and year first above written.

/s/ Neil Childers (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day NEIL CHILDERS who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and official seal, this 12 day of June, 1952.

/s/ Kate McGee
Clerk Superior Court, Macon County, N.C.

(OVER)

Nicol & Bauer

Filed for registration on the 12 day of
June, 1952 at 3:15
o'clock P.M., and registered and verified in the
office of the Register of Deeds for Macon
County in Book No. A-6 page 508
this 13 day of June 1952

/s/ Lake V. Shape
Register of Deeds for Macon County

Due $1.25

COPY

NORTH CAROLINA
MACON COUNTY

THIS AGREEMENT, Made and entered into this the 14th day of June, 1952, by NEIL CHILDERS, party of the first part, to CHARLES W. NICOL and BERNARD BAUER, parties of the second part.

WITNESSETH:

That for and in consideration of the sum of One Dollar and other valuable consideration to him in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby transfer, assign and set over unto the parties of the second part, their heirs and assigns, an undivided one-fourth (1/4) interest in a certain lease executed by Paul Grist and wife, Eliza Cobb Grist, to Zeb Angel and Neil Childers, dated April 29, 1952, and recorded in the Office of the Register of Deeds for Macon County, North Carolina, in Book No. 39, Page 491. It is the intention of party of the first part that this instrument shall convey to parties of the second part any remaining interest he has in the lease above described.

IN TESTIMONY WHEREOF, the party of the first part has hereunto set his hand and seal, the day and year first above written.

/s/ Neil Childers (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day Neil Childers, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Let the same with this certificate be registered.

WITNESS my hand and official seal, this 14 day of June, 1952.

/s/ Kate McGee
Clerk Superior Court, Macon County, N.C.

(OVER)

/s/ Charles Nicol

Filed for registration on the 16 day of
June 1952 at 9:00
o'clock A.M., and registered and verified in the
office of the Register of Deeds for Macon
County in Book No. A-6 , Page 515
This 17 day of June, 1952

/s/ Lake V. Shape
Register of Deeds for Macon County, N.C.

IN REPLY REFER TO:

G-MD-CNM

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

October 30, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 31 1952

Memorandum

REVIEW OF APPLICATION REVISED DMEA-2579 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Bauer Mining Company, Cullasaja, Macon County, North Carolina.
Name of property: Baird mine.

Revised application form for DMEA-2579, which indicates change in applicant from B-N-C Mica Company to Bauer Mining Company, was noted and is returned herewith. No additional action seems required on our part.

R. E. Van Alstine

R. E. Van Alstine

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

G-MD-CNM

October 30, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
RECEIVED
OCT 31 1952

Memorandum

REVIEW OF APPLICATION REVISED DMEA-2579 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Bauer Mining Company, Cullasaja, Macon County, North Carolina.
Name of property: Baird mine.

Revised application form for DMEA-2579, which indicates change in applicant from B-N-C Mica Company to Bauer Mining Company, was noted and is returned herewith. No additional action seems required on our part.

R. E. Van Alstine

Van Alstine:jeh
G-10/30/52
cc: Director's reading file 4212
Branch " "
DMEA
Van Alstine G-230
Norton G-230

Mine & Mineral
Consultant

Telephone 791
Mail Address:
P. O. Box 336

C
O
P
Y

FRANK SIERSMA
Suite 19 Bank Building
Franklin, North Carolina
October 16, 1952

Noted 10/24/52 RGVA

Defense Minerals Expl. Adm.
Department of the Interior
Washington 25, D. C.

Re: Docket 2579
Mica - Macon County

Attention: Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Dear Mr. Houk:

In answer to your letter, I sent you certain papers a few days ago connected with the application of B-N-C Mica Co. This supplied evidence that Chas. W. Nicol and myself held the lease to the property in question.

Mr. Nicol has assigned his interest to Frank Siersma who is now an equal partner with me in the Bauer Mining Co., which company will explore and operate the mine.

So that you may further process the application, evidence of the above is enclosed; attahced to a new application form making Bauer Mining Co., the applicant.

We desire to proceed with the work as quickly as possible and trust the information supplied is sufficient. However, should you require additional details they will be forwarded without delay.

Sincerely yours,

/s/ Bernard Bauer
Bernard Bauer, Partner
Bauer Mining Co.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. REVISED DMEA 21579
Metal or Mineral
Date Received 10-20-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

BAUER MINING CO.
CULLASAJA
MACON COUNTY, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the land conveyed by deed dated Oct. 15, 1936, from G. A. Jones, Comm., to M. D. Billings, registered in Book A-4, page 192; the same lands described in deed from C.C.Smith et al, to Emma Baird, recorded in the Register's Office for Macon County, N.C., in Book AA, page 340.

(*b*) State any mine name by which the property is known.

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

16—66551-1

1952

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

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated October 18, 1952, 195...

BAUER MINING CO
(Applicant)

By Bernard Bauer Partner

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 10/18/52 DMEA BAUER MINING CO., CULLASAJA, MACON CO., N.C.

Application was made June 6, 1952 (Docket No. 2579)by N-N-C MICA CO., OF Franklin, N. C., covering property herein described.

Since that time, ownership of lease has changed and is now held by the following two persons who are partners in the BAUER MINING CO.

Bernard Bauer, Cullasaja, N. C.
Frank Siersma, P.O.Box 336, Franklin N. C.

Former partners were: Bernard Bauer, Chas.W. Nicol, and Neil Childers.

Sale of Neil Childers' interest was included in papers mailed to Washington a few days ago.

Copy of assignment of Chas. W. Nicol (1/2 undivided interest) to Frank Siersma, is attached.

All other particulars included has been completed by the Field Team.

It is requested that contract for exploration be drawn in the name of

BAUER MINING CO.

(If required, contract will be executed by both partners)

It is also requested that all documents sent in a few days ago be returned when they have served their purpose.

BAUER MINING CO.

By Bernard Bauer
Partner

NORTH CAROLINA
MACON COUNTY

THIS INDENTURE, Made and entered into this 4th day of August, 1952, by and between CHARLES W. NICOL, party of the first part, and FRANK SIERSMA, party of the second part, both of Macon County, North Carolina,

W I T N E S S E T H

That for and in consideration of the sum of ONE ($1.00) DOLLAR and other good and valuable considerations, the receipt of which is hereby acknowledged by the party of the first part, the said party of the first part has bargained, sold and conveyed, and by these presents does bargain, sell, and convey unto the party of the second part, his heirs and assigns, all right, title and interest and estate in and to the following lease:

> The lease made and entered into on April 29, 1952, by and between Paul Grist and wife Eliza Grist, and Zeb Angel and Neil Childers, and recorded in Book 39, page 491, Public Registry of Macon County, North Carolina; in which lease the party of the first part subsequently purchased a one half (1/2) undivided interest.

TO HAVE AND TO HOLD the above one half (1/2) undivided interest in the above said lease, right and interest unto the party of the second part, his heirs and assigns, to his only use and behoof, free and clear from any rights, claims or interests whatsoever of the party of the first part in said leasehold.

IN WITNESS WHEREOF, the party of the first part has hereunto set his hand and seal, this the 4th day of August, 1952.

s/ Charles W Nicol (SEAL)

NORTH CAROLINA
MACON COUNTY

The execution of the foregoing instrument was this day acknowledged before me by Charles W. Nicol, for the purpose therein expressed.

WITNESS my hand and seal, this the 4th day of August, 1952.

(SEAL)

S/ Helen Siersma
Notary Public

My Commission Expires: June 13, 1954.

Bauer Mica Co. -
2579 - Mica 10/24/52

Telephone Discussion - Teague - Hook - Fettler

Teague believes that chances of finding strategic mica are good for both hanging and footwall of the quartz core. Also that sinking in the quartz core would be prohibitively costly. - that trenching to try to locate westward extension of pegmatite could be worthwhile - that shaft location should be specified after such trenching, if the trenching is to be undertaken. Trench would require about 20 hours of dozer time.

Land owner prefers to keep the land undisturbed for farming west of the road.

Dmcr 2579 REVISED

MINE & MINERAL
CONSULTANT

TELEPHONE 791
MAIL ADDRESS:
P. O. BOX 336

FRANK SIERSMA
SUITE 19 BANK BUILDING
FRANKLIN, NORTH CAROLINA

October 16, 1952

Defense Minerals Expl. Adm.
Department of the Interior
Washington 25, D. C.

Re: Docket 2579
Mica - Macon County

Attention: Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Dear Mr. Houk:

In answer to your letter, I sent you certain papers a few days ago connected with the application of B-N-C Mica Co. This supplied evidence that Chas. W. Nicol and myself held the lease to the property in question.

Mr. Nicol has assigned his interest to Frank Siersma who is now an equal partner with me in the Bauer Mining Co., which company will explore and operate the mine.

So that you may further process the application, evidence of the above is enclosed; attached to a new application form making Bauer Mining Co., the applicant.

We desire to proceed with the work as quickly as possible and trust the information supplied is sufficient. However, should you require additional details they will be forwarded without delay.

Sincerely yours,

Bernard Bauer

Bernard Bauer, Partner
Bauer Mining Co.

OCT 23 1952

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

OCT 10 1952

B. N. C. Mica Company
C/o Mr. Bernard Bauer
Skyway Hotel
Franklin, North Carolina

Subject: Docket No. DMEA-2579 - Mica
B. N. C. Mica Co.
Baird Cove Mine
Macon County, North Carolina

Dear Mr. Bauer:

Reference is made to the subject application for exploration assistance at the Baird Cove Mine and your letter of October 6, 1952, requesting information about the status of your application.

According to the docket copy of the lease, Zeb Angel and Neil Childers are lessees. The name of the former is not among the partners as listed in the application and according to your letter of September 13, 1952, Neil Childers is no longer a partner.

It will be necessary to submit evidence that you and/or Charles W. Nichol are now the lessees of the property.

Your application will be further processed when this office has received the requested information.

Sincerely yours,

Lawrence G. Houk

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

Enclose you will find evidence that we now own the whole mine.
Bernard Bauer
Charles W. Nicol
Thank you
Please return papers as soon as you are through with them

Gentlemen upon recall final proclamation, that
my name was the medicine remain.
Samuel Tanner
Charles W. Hood
Please return photograph to Tanner so you
are thoroughly satisfied Allen

NORTH CAROLINA
MACON COUNTY

THIS ASSIGNMENT, Made and entered into this the 16th day of May, 1952, by ZEB ANGEL, party of the first part, to CHARLES W. NICOL and BERNARD BAUER, parties of the second part,

WITNESSETH:

That for and in consideration of the sum of One Dollar, the receipt of which is acknowledged, and the further consideration of the conditions hereinafter enumerated to be performed by parties of the second part, the party of the first part does hereby transfer, assign and set over unto the parties of the second part, their heirs and assigns, an undivided one-half (½) interest in a certain lease executed by Paul Grist and wife, Eliza Cobb Grist, to Zeb Angel and Neil Childers, dated April 29, 1952, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book ~~A-6~~ 39, page 491.

The parties of the second part, their heirs and assigns, agree to operate under said lease and abide by the terms thereof, and further agree that as a part of the consideration of this assignment that they will pay to the party of the first part one-fourth (¼) of all the net profits derived from the operation of the mine mentioned in said lease, and that they will keep accurate accounts of the operation of said mine and the books showing the transactions shall be open for the inspection of party of the first part when he may desire to inspect the same.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

Zeb Angel (SEAL)

Bernard Bauer (SEAL)

Charles W. Nicol (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day ZEB ANGEL, CHARLES W. NICOL and BERNARD BAUER, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this 16th day of May, 1952.

Cecile Gibson
Notary Public, Macon County, N. C.

My Commission Expires December 22, 1953

NORTH CAROLINA, Macon County.

The foregoing certificate of Cecile Gibson Notary Public of Macon County, State of N. C., attested by his/her notarial seal, is adjudged to be correct.

Let the instrument, with the certificates, be registered.

Witness my hand and official seal, this 16 day of May, 1952.

Kate McGee
CLERK SUPERIOR COURT.

Filed for registration on the 16 day of May 1952, at 10:45 o'clock A.M., and registered and verified in the office of the Register of Deeds for Macon County in Book No. A-6, Page 487

This 16 day of May 1952

Lake V. Shaper
Register of Deeds for Macon County

NORTH CAROLINA
MACON COUNTY

WHEREAS, on May 16, 1952, ZEB ANGEL transferred and assigned his undivided one-half (1/2) interest in a lease executed by Paul Grist and wife to Zeb Angel and Neil Childers to CHARLES W. NICOL and BERNARD BAUER; and

WHEREAS, in said agreement assigning the one-half (1/2) interest in the lease, the said CHARLES W. NICOL and BERNARD BAUER agreed that they would pay to ZEB ANGEL one-fourth (1/4) of all the net profits derived from the operation of the mine mentioned in this lease; and

WHEREAS, the said ZEB ANGEL has this day agreed to release the said CHARLES W. NICOL and BERNARD BAUER from any payment to him of said net profits:

NOW, THEREFORE, for and in consideration of the sum of One & No/100 ($1.00) Dollars and other valuable consideration, ZEB ANGEL does hereby release and discharge CHARLES W. NICOL and BERNARD BAUER from any liability to pay to him any profits derived from the operation of the said Grist Mine, and the one-half (1/2) interest in the lease above mentioned heretofore conveyed to them shall be theirs, free and clear from any right of the said ZEB ANGEL under the same.

WITNESS my hand and seal, this the 5th day of June, 1952.

Zeb Angel (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day ZEB ANGEL, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and notarial seal, this the 5th day of June, 1952.

Neal Johnston
Notary Public, Macon County, N.C.

My Commission Expires Oct. 9, 1952.

NORTH CAROLINA
MACON COUNTY

THIS AGREEMENT, Made and entered into this the 12th day of June, 1952 by NEIL CHILDERS, party of the first part, to CHARLES W. NICOL and BERNARD BAUER, parties of the second part,

WITNESSETH:

That for and in consideration of the sum of One Dollar and other valuable consideration to him in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby transfer, assign and set over unto the parties of the second part, their heirs and assigns, an undivided one-fourth (1/4) interest in a certain lease executed by Paul Grist and wife, Eliza Cobb Grist, to Zeb Angel and Neil Childers, dated April 29, 1952 and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Book No. 39, page 491.

IN TESTIMONY WHEREOF, the party of the first part has hereunto set his hand and seal the day and year first above written.

Neil Childers (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day NEIL CHILDERS who acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

WITNESS my hand and official seal, this 12 day of June, 1952.

Kate McGee
Clerk Superior Court, Macon County, N. C.

Nicol & Bauer

Filed for registration on the 12 day of June 1952, at 3:15 o'clock P. M., and registered and verified in the office of the Register of Deeds for Macon County in Book No. A-6, Page 508 this 13 day of June 1952

Jake F. Shope
Register of Deeds for Macon County

Deed. $4.25

NORTH CAROLINA
MACON COUNTY

THIS AGREEMENT, Made and entered into this the 14th day of June, 1952, by NEIL CHILDERS, party of the first part, to CHARLES W. NICOL and BERNARD BAUER, parties of the second part,

WITNESSETH:

That for and in consideration of the sum of One Dollar and other valuable consideration to him in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby transfer, assign and set over unto the parties of the second part, their heirs and assigns, an undivided one-fourth (1/4) interest in a certain lease executed by Paul Grist and wife, Eliza Cobb Grist, to Zeb Angel and Neil Childers, dated April 29, 1952, and recorded in the Office of the Register of Deeds for Macon County, North Carolina, in Book No. 39, Page 491. It is the intention of party of the first part that this instrument shall convey to parties of the second part any remaining interest he has in the lease above described.

IN TESTIMONY WHEREOF, the party of the first part has hereunto set his hand and seal, the day and year first above written.

Neil Childers (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day NEIL CHILDERS, who acknowledged the due execution of the foregoing instrument for the purposes therein expressed. Let the same with this certificate be registered.

WITNESS my hand and official seal, this 14 day of June, 1952.

Kate McGee
Clerk Superior Court, Macon County, N.C.

Charles Dical

Filed for registration on the 16 day of June 19 52, at 9:00 o'clock A.M., and registered and verified in the office of the Register of Deeds for Macon County in Book No. A-6, Page 515

This 17 day of June 19 52

Lake W. Shope
Register of Deeds for Macon County

FILE COPY
SURNAME:

S Feitler

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

OCT 10 1952

B. N. C. Mica Company
C/o Mr. Bernard Bauer
Skyway Hotel
Franklin, North Carolina

Subject: Docket No. DMEA-2579 - Mica
B. N. C. Mica Co.
Baird Cove Mine
Macon County, North Carolina

Dear Mr. Bauer:

Reference is made to the subject application for exploration assistance at the Baird Cove Mine and your letter of October 6, 1952, requesting information about the status of your application.

According to the docket copy of the lease, Zeb Angel and Neil Childers are lessees. The name of the former is not among the partners as listed in the application and according to your letter of September 13, 1952, Neil Childers is no longer a partner.

It will be necessary to submit evidence that you and/or Charles W. Nichol are now the lessees of the property.

Your application will be further processed when this office has received the requested information.

Sincerely yours,

S.H.
10-10-52

Signed

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

SAFeitler:gad 10/9/52
Copy to: Adm. R. File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Field Team, Region VII
Mr. Houk

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

Mr Fielder

October 8, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2579, Mica, Baird Mine, Macon County, Franklin, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $8,050.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 8 1952

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

October 8, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2579, Mica, Baird Mine, Macon County, Franklin, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $8,050.

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

Mr Feitler

P. O. Box 509
Franklin, N. C.
October 3, 1952

Defense Minerals Expl. Adm.
Department of the Interior
Washington 25, D. C.

RE. DMEA-2579
Baird Cove Mine
Mica

Attention: Mr. Robert E. Adams
Administrative Officer

Gentlemen:

The above property was examined by the Field Team some time ago and it is my impression they submitted a favorable report.

I would appreciate being advised as to when the contract will be submitted because work should start before bad weather sets in.

Very truly yours,

B-N-C MICA CO.

Bernard Bauer

Bernard Bauer, Partner

IN REPLY REFER TO:

G-MD-CNM

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

September 29, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2579 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: B-N-C Mica Company, c/o Bernard Bauer, P. O. Box 509, Franklin, North Carolina.
Name of property: Baird mine or Baird Cove mine.
Location of property: $1\frac{1}{2}$ miles N. 70° W. of Franklin, on E. side of Crawford Branch.
Date of field team report: September 16, 1952.
Authorship of field team report: A. L. Peyton, K. H. Teague.
Field team's recommendation:

Sink 70-foot shaft, cut 50-foot crosscut, and drive 90 feet of drifts -- cost $8,050. This is field team's modification of applicant's unacceptable proposal. About 70 percent of mica in area to be explored is strategic; 30 percent is green mica.

Comments:

Restrict exploration to area recommended by field team, which met with applicant's approval.

ACTION SUGGESTED:

Follow field team's recommendation.

R. E. Van Alstine

R. E. Van Alstine

IN REPLY REFER TO:

G-MD-CNM

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

September 29, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 29 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2579 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: B-N-C Mica Company, c/o Bernard Bauer, P. O. Box 509, Franklin, North Carolina.
Name of property: Baird mine or Baird Cove mine.
Location of property: 1½ miles N. 70° W. of Franklin, on E. side of Crawford Branch.
Date of field team report: September 16, 1952.
Authorship of field team report: A. L. Peyton, K. H. Teague.
Field team's recommendation:

Sink 70-foot shaft, cut 50-foot crosscut, and drive 90 feet of drifts -- cost $8,050. This is field team's modification of applicant's unacceptable proposal. About 70 percent of mica in area to be explored is strategic; 30 percent is green mica.

Comments:

Restrict exploration to area recommended by field team, which met with applicant's approval.

ACTION SUGGESTED:

Follow field team's recommendation.

R. E. Van Alstine

Van Alstine:jeh
G-9/29/52
cc: Director's reading file 4212 GSA Bldg.
Branch " " " " "
DMEA
Van Alstine G-230 " "
Norton files G-228 " "

Sat.

Pa

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~

Room 13, Post Office Building
Knoxville 2, Tennessee

September 17, 1952

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Adm.
SEP 18 1952

TO: Operating Committee, DMEA, Washington

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

SUBJECT: DMEA-2579, B.-N.-C.-Mica Co., Baird Mine (mica)
Field Examination Report.

Transmitted herewith are 4 copies of the examination report on the subject application, and 6 extra copies of the maps. The memoranda of review by the Geological Survey and Bureau of Mines are returned herewith.

The Field Team agrees with the findings of this report. Attention is called to the statement that the applicants have had little mining experience but intend to employ an experienced foreman. This kind of a situation present obvious difficulties and seriously detracts from the favorableness of an application. If a contract is approved, employment of an experienced foreman should be required. This however, is not a satisfactory safeguard, as it is obvious that, in nearly all cases, we could not object to a foreman as not properly experienced at the outset of the job.

Robert A. Laurence

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

W. A. Beck

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2579 (mica)

BAIRD MINE

Applicant: B-N-C- Mica Company
c/o Benard Bauer, P.O. Box 509
Franklin, North Carolina

By

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

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

September 16, 1952

Report of Field Examination on

DMEA-2579 (mica)

BAIRD MINE

Applicant: B-N-C Mica Company
c/o Bernard Bauer, P.O. Box 509
Franklin, North Carolina

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.

That portion of the property shown on the attached map appears to have more possibilities. About 30 percent of the material collected from this place is of green color, but the other 70 percent appears to be of strategic grade. It is recommended that if a contract is prepared, the following program be considered.

Sinking 70-foot 5' x 7' shaft @ $45/ft.	$3150.00	
50-foot crosscut @ $35/ft.	1750.00	
90 ft. of drift @ $35/ft.	3150.00	
Estimated cost		$8050.00

Estimated time ....110 shifts

The Field Team examined the property on August 26, 1952, accompanied by Benard Bauer. Four hours were spent on the examination.

The Baird or Baird Cove mine is located 1 1/2 miles N. 70° W., of Franklin, N. C., on the east side of Crawford Branch. It is situated at an approximate elevation of 2200' above sea level, and is easily reached by 1 mile of good dirt road leading northwest from Route 64 a very short distance east of Crawford Branch, or roughly 1 mile west of Franklin.

The Applicant has had little mining experience. Their enthusiasm appears to exceed their ability; however, they intend to employ a foreman who has had mica mining experience.

There are no buildings on the property which can be used. A single phase REA electric line is nearby and could be readily used. The underground workings are shown on the attached map. The openings do not appear

to exceed 40 feet in depth; however, they are at present inaccessible. The lease contains adequate area for mining and dumping facilities.

Old workings and information on the same, suggest the pegmatite worked here to have an hour-glass shape in plan, injected into biotite gneiss having a general strike of northwest and probably dipping steeply southwest. The central mass is reported to have been nearly pure quartz from 15' to 40' thick, and surface evidence supports this. It is surrounded by a zone from 3' to 5' thick comprised of plagioclase, quartz, and muscovite; the last is richest and of best quality where frozen to the quartz core although some good sheet was removed from both wall contacts. The north side of the quartz mass is said to have been richer than the south, and the mica from here was concentrated in a 4' zone. The south quartz contact mica zone is reported to have averaged 3' in width. Most mica is green, but some ruby was recovered. The mica is said to have occurred in pockets rather than in shoots or blankets surrounding the quartz.

No information is available as to past production. Labor, supplies, and utilities are available locally.

The applicant's program of exploration is unacceptable. Also it is much too ambitious. The following recommendation was discussed with the applicant, especially the program and costs and they met with his approval.

The exploration project, if conducted, should be confined to the pegmatite shown on the attached map. The location of the proposed work is also shown.

The project should consist of sinking a 70-foot shaft and driving 50 feet of drifts along the hanging wall of the quartz core. A crosscut should then be driven to the footwall(probable length 50 feet) and 40 feet of drifts driven on the footwall. Estimated costs and time to complete this work are shown in the first part of this report.

No work should be considered on the other pegmatite on this property as the mica is unacceptable for stockpiling.

August 26, 1952

A. L. Peyton, USBM

K. H. Teague, USGS

OCT 1 1952

Leo
Mr. Fitton

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2579 (mica)

BAIRD MINE

Applicant: B-M-C- Mica Company
c/o Benard Bauer, P.O. Box 509
Franklin, North Carolina

By

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

-

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

Reviewed by
DMEA OPERATING COMMITTEE
9/22/52
(date)

September 16, 1952

Report of Field Examination on

IMRA-2579 (mica)

BAIRD MINE

Applicant: B-M-C Mica Company
c/o Benard Bauer, P.O. Box 509
Franklin, North Carolina

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.

That portion of the property shown on the attached map appears to have more possibilities. About 30 percent of the material collected from this place is of green color, but the other 70 percent appears to be of strategic grade. It is recommended that if a contract is prepared, the following program be considered.

Sinking 70-foot 5' x 7' shaft @ $45/ft.	$3150.00	
50-foot crosscut @ $35/ft.	1750.00	
90 ft. of drift @ $35/ft.	3150.00	
Estimated cost		$8050.00
Estimated time ....110 shifts		

The Field Team examined the property on August 26, 1952, accompanied by Benard Bauer. Four hours were spent on the examination.

The Baird or Baird Cove mine is located 1 1/2 miles N. 70° W., of Franklin, N. C., on the east side of Crawford Branch. It is situated at an approximate elevation of 2200' above sea level, and is easily reached by 1 mile of good dirt road leading northwest from Route 64 a very short distance east of Crawford Branch, or roughly 1 mile west of Franklin.

The Applicant has had little mining experience. Their enthusiasm appears to exceed their ability; however, they intend to employ a foreman who has had mica mining experience.

There are no buildings on the property which can be used. A single phase REA electric line is nearby and could be readily used. The underground workings are shown on the attached map. The openings do not appear

to exceed 40 feet in depth; however, they are at present inaccessible. The lease contains adequate area for mining and dumping facilities.

Old workings and information on the same, suggest the pegmatite worked here to have an hour-glass shape in plan, injected into biotite gneiss having a general strike of northwest and probably dipping steeply southwest. The central mass is reported to have been nearly pure quartz from 15' to 40' thick, and surface evidence supports this. It is surrounded by a zone from 3' to 5' thick comprised of plagioclase, quartz, and muscovite; the last is richest and of best quality where frozen to the quartz core although some good sheet was removed from both wall contacts. The north side of the quartz mass is said to have been richer than the south, and the mica from here was concentrated in a 4' zone. The south quartz contact mica zone is reported to have averaged 3' in width. Most mica is green, but some ruby was recovered. The mica is said to have occurred in pockets rather than in shoots or blankets surrounding the quartz.

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August 26, 1952

A. L. Peyton, USBM

N. H. Teague, USGS

EXPLORATION PROJECT CONTRACT
BAUER 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 (of the pegmatite) to explore for the ~~its~~ westward extension.

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

Bernard Baer
Skyway Hotel
Franklin N.C.

Sept 13, 52
Subject Docket No.
OMEA 2579 Quick
Baird Mine
Macon County N.C.

Dear Mr. Mittendorf

Please send all correspondence to me at the above address.

Mr Hal Childers is no longer with the Company Would you please send me a sellers permit. Thank You

Yours Truly
Bernard Baer

DEPARTMENT OF THE INTERIOR
Bureau Mines Administration
MBSP
SEP 15 1952

FILE COPY
SURNAME:

Houk

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

AUG 12 1952

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
Baird Mine
Macon County, North Carolina

Dear Mr. Laurence:

Reference is made to the subject application for exploration assistance at the Baird Mine, filed by the B-M-C Mica Company.

Please arrange for a field examination of this mine at your convenience. If exploration is recommended, a program should be submitted with the report. If underground mining is indicated, consideration should be given to the ability of the applicants to handle the program in heavy ground.

Copies of memoranda from the U. S. Geological Survey and U. S. Bureau of Mines are enclosed.

Sincerely yours,

(signed) FRANK E. JOHNSON (HB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

J.N. 8-12-52

SAFeitler:mp 8/11/52
cc: Docket File
Adm. Reading File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk
Field Team, Region VII

Enclosures - 2

Approved:

P. H. Johnson (HB)
Member, Bureau of Mines

D. M. Lemmon (HB)
Member, Geological Survey

FILE COPY
SURNAME:

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

Hawk
F.E. Johnson

AUG 12 1952

Mr. Charles W. Nicol
B-M-C Mica Company
P. O. Box 509
Franklin, North Carolina

Subject: Docket No. DMEA-2579 - Mica
Baird Mine
Macon County, North Carolina

Dear Mr. Nicol:

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

Sincerely yours,

C. O. Mittendorf (for) J.N. 8-12-52

Acting Administrator
Defense Minerals Exploration
Administration

SAFeitler:mp 8/11/52
cc: Docket File
Adm. Reading File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Field Team, Region VII
Mr. Houk

SD

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

July 31, 1952

Memorandum

S A Feitler

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Bramch

Subject: DMEA-2579, Baird Cove, (Mica)
Macon County, North Carolina

On the basis of the applicant's description of past operations and present exposures, a field team investigation is recommended. The Geological Survey (Professional Paper 225, p. 50) tested 796 pieces of mica indicating 100 percent of E-1 capacitor quality and color was classed as cinnamon brown, generally acceptable as ruby mica.

W F Dietrich

W. F. Dietrich

DEPT. OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 31 1952

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

July 31, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2579, Baird Cove, (Mica)
Macon County, North Carolina

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W. F. Dietrich

RECEIVED
AUG 14 1952
Knoxville, Tenn.

IN REPLY REFER TO:

G-MD-PLW

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

SAP

June 17, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1952

Memorandum

REVIEW OF APPLICATION DMEA-2579 (Mica).

To: L. G. Houk, Non-Metallic Minerals Division, DMEA.
From: P. L. Weis, U. S. Geological Survey.
Applicant: B-N-C Mica Company.
Name of property: Baird Mine.
Location of property: Macon County, North Carolina.
Estimated cost of project: $19,874.50.
Summary of applicant's proposal:

(1) Relocation of stream on east side of property.
(2) Excavation of an open cut along pegmatite. Cut to be 500 feet long, 60 feet wide at top, 20 feet wide at bottom, 60 feet deep. Cut to be made with bulldozer and dragline.
(3) Dewatering as necessary.

Sources of information on applicant's property:

(1) Larrabee, D. M., Unpublished report, U. S. Geol. Survey, 1943.
(2) Colonial Mica Corporation purchase records.

Comments:

(1) This property sold 4,090 lbs. of strategic mica, worth $22,046.00 during the war.
(2) Larrabee states in his report that the property may contain additional reserves, particularly on the west end.
(3) The value of the extensive open cut proposed by the applicant is questionable.

RECOMMENDATION: Examination by the field team.

Paul L. Weis
Paul L. Weis

IN REPLY REFER TO:

G-MD-PLW

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

June 17, 1952

SEP 1 9 1952

Memorandum

REVIEW OF APPLICATION DMEA-2579 (Mica).

To: L. C. Houk, Non-Metallic Minerals Division, DMEA.
From: P. L. Weis, U. S. Geological Survey.
Applicant: B-N-C Mica Company.
Name of property: Baird Mine.
Location of property: Macon County, North Carolina.
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(3) The value of the extensive open cut proposed by the applicant is questionable.

RECOMMENDATION: Examination by the field team.

Paul L. Weis

PLWeis:hhp
G-6/17/52
cc: Director's Reading file, 4212
Branch Reading file, 4212
DMEA
PLWeis, G-228, GSA Bldg., USGS
extra

RECEIVED
AUG 14 1952

Application D M E A 2579

The B - N - C Mica Company

Franklin, North Carolina P O Box # 509

Dear Sirs:

I wish to thank you for your very prompt reply to an application for an exploration loan to explore the Baird Cove mine.

This mine long known as a prolific producer of good sheet mica yet has been but mined lightly, would perhaps be a good way to refer to previous attempts to get at the vein. The difficulty being that altho there is in the lowest spot but 16 foot overburden yet a few feet down in the soft yielding clinging pegmatite mass such pressures are encountered as to demolish tunnells and collapse shafts.

The entire 18 shafts so far put down here have all come to the same end but two, both off the vein a few feet. The loan sought is for the purpose of stripping off the overburden and then with a shovel-dredge taking out the vein material.

Your assistance with an exploration loan would quickly solve the problem.

Very truly yours,

Charles W Nicol

Charles W Nicol
B-N-C Mica Company

Attention
Mr Robert E Adams
Administrative Officer

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 16 1952

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. dmea 2913
Metal or Mineral
Date Received 3-2-53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

MICA INDUSTRIES INC.
P. O. BOX 336 a North Carolina Corporation
FRANKLIN, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed dated October 15, 1936, from Gilmer A. Jones, Commissioner, to M. D. Billings, registered in the office of the Register of Deeds for Macon County, North Carolina, in Book A-4 at page 192.

(*b*) State any mine name by which the property is known. BAIRD-COVE and BAIRD-SMITH MINE

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(a) State the mineral or minerals for which you plan to explore STRATEGIC RUBY MICA

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? YES

(*b*) How do you propose to furnish your share of the costs?

[X] Money [ ] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated February 24th, 1953

MICA INDUSTRIES INC.
(Applicant)

By Frank Siersma President

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 MICA INDUSTRIES INC. P.O.BOX 336 FRANKLIN, N.C. - MICA - BAIRD-COVE MINE

1. (c) OFFICERS: PRESIDENT FRANK SIERSMA
VICE PRESIDENT N. E. MASHBURN
SECRETARY-TREASURER: L. S. PENLAND

3. (d) ATTACHED: Copy of lease to Bauer & Siersma.
Copy of Option to purchase Bauer Interest.
Copy of Assignment to Mica Industries Inc.
Owner's Consent to Lien (6 copies).

4. (a) A DMEA contract, Idm-E 459 (Docket No. DMEA 2579), dated December 2, 1952, has been issued to construct a 75 foot shaft,
(b) with drift and crosscut to 150 feet. Stage I of same has been completed. Stage II will start upon receipt of insurance (not
(c) over 2 weeks). Because it is certain that large commercial ore bodies will be uncovered at this western end of the property,
(d) it is desired that consideration be given to this application during the time present contract work is in progress.

(e) This mine was worked during the last war by a Mr. Snow who sold entire output to the Colonial Mica Corporation. He is reported to have employed as many as 52 sheeters to handle production from one shaft. It is a matter of local knowledge that the great many shafts sunk in the past (estimated at from 19 to 40) have all permitted recovery of exceptionally large blocks of strategic ruby mica - sheeting into large patterns. Applicant now holds a sheet, timed during the last war, which measures over 6 inches wide, 14 inches long and one eighth inch thick. Local miners who have worked in the Baird-Cove mine claim this piece to be a "small one".

The mine is reported in "Geological Survey Professional Papaer 225", 1950. 796 pieces tested resulted in 100% E-1; type of material - 3, 4, 5, 6 (no stain). Dumps all over the property still contain pieces of 16 square inches and more.

Various estimates of the size of this pegmatite have been made, but the concensus of opinion places it at 100 feet wide and over 500 feet long, as a minimum. Past shafts have not extended below approximately 65 feet because of water conditions and inadequate pumping facilities. Mica has been encountered at the depth of most, and size appears to increase with depth. Present shaft, under contract Idm-E 459 will be 75 feet deep and accomodate a sump pit to aid in draining the area. This will permit extensive operation within the exploratory area.

By reason of all past work, it si considered that this property holds a tremendous body of mica which can only be recovered by sinking a series of shafts throughout the pegmatite, to a sufficient depth to allow for crosscutting and drifting. Such is the purpose of this application.

Property is located about 2 miles northwest of Franklin town limits; reached over State Highway 64 and Furlow Springs Road, a hard surface road direct to mine. (Franklin is the shipping, supply and residence center).

Sufficient manpower, supplies, etc., are available for all purposes.

This property is ideally situated on rolling lands - not mountainous. It can be reached at all times, regardless of weather, by automobile, and presents many conditions which allow for extremely economical operation after suitable exploration work is completed.

5. (b) (c) (d) Through past explorations and operations it has become known that property helds a vast pegmatite area which to depths of 45 to 55 feet is very wet. To a large extent this is caused by a branch, or stream, running through it. Below 55 feet the ground hardens and the quality of mica improves. Various methods of exploration have been suggested by engineers but the one proposed by Kefton F. Teague (DMEA Field Team), when approving application resulting in Contract Idm-e 459, is conceded to be by far the most practical and most economical. Applicant desires to enlarge upon that method by sinking several shafts, crosscutting and drifting from each, so that maximum possible production might be obtained. This will permit concentrated working within the pegmatite body, at 75 foot depths, and by locating pumping sump pits at bottom of each shaft the entire area can be kept dry - for continued operation.

For purposes of this application, the work being done under Contract Idm-E 459 is being termed as Shaft No. 1.

It is proposed to construct three (3) additional shafts at locations appearing on attached sketch. Two of these will be of 75 and one of 85 feet; each with crosscutting and drifting of 150 feet. The sketch placed proposed sites as related to past workings and their contacts with the ore-bearing beds.

The work will start upon receipt of contract. It is believed at this time that 3 shifts will be employed at each shaft and they can be completed within 20 working days.

Careful study of this mine formation results in the knowledge that it requres the experience of supervision by men who are familiar with every phase of shaft construction. Such men are officers of applicant corporation - Norman Mashburn and L. S. Penland. Mashburn has mined and operated in this area, by every known method, for the past 20 years. Many years ago he put down two shafts in this Baird-Cove mien and is well acquainted with the pegmatite formation. Penland has spent over 30 years in tunnel and shaft construction in this district, in a great many states and in foreign countries. His work has included both small and large operations in every known earth formation. One of his last jobs was that of full supervision of 3 shafts, to a depth of 1.600 feet and a tunnel 17 miles long - in New York State. He has built shafts with timber, steel and concrete. This corporation is equipped to successfully complete the exploratory work as outlined.

6. It is anticipated that the Field Team will approve the exploration on a footage contract basis. Estimate of costs will include 25 hours of bulldozing to prepare for each shaft, at $12.00 per hour ($300.00), $50.00 per foot with timber, and $35.00 per foot for crosscutting and drifting. Total estimates - Shaft No. 2, $9,300.00; Shaft No. 3, $9,300.00; Shaft No. 4, $9,800.00. (These estimates are considered in the event Field Team should decide that construction of each shaft should be with timber). 300.00

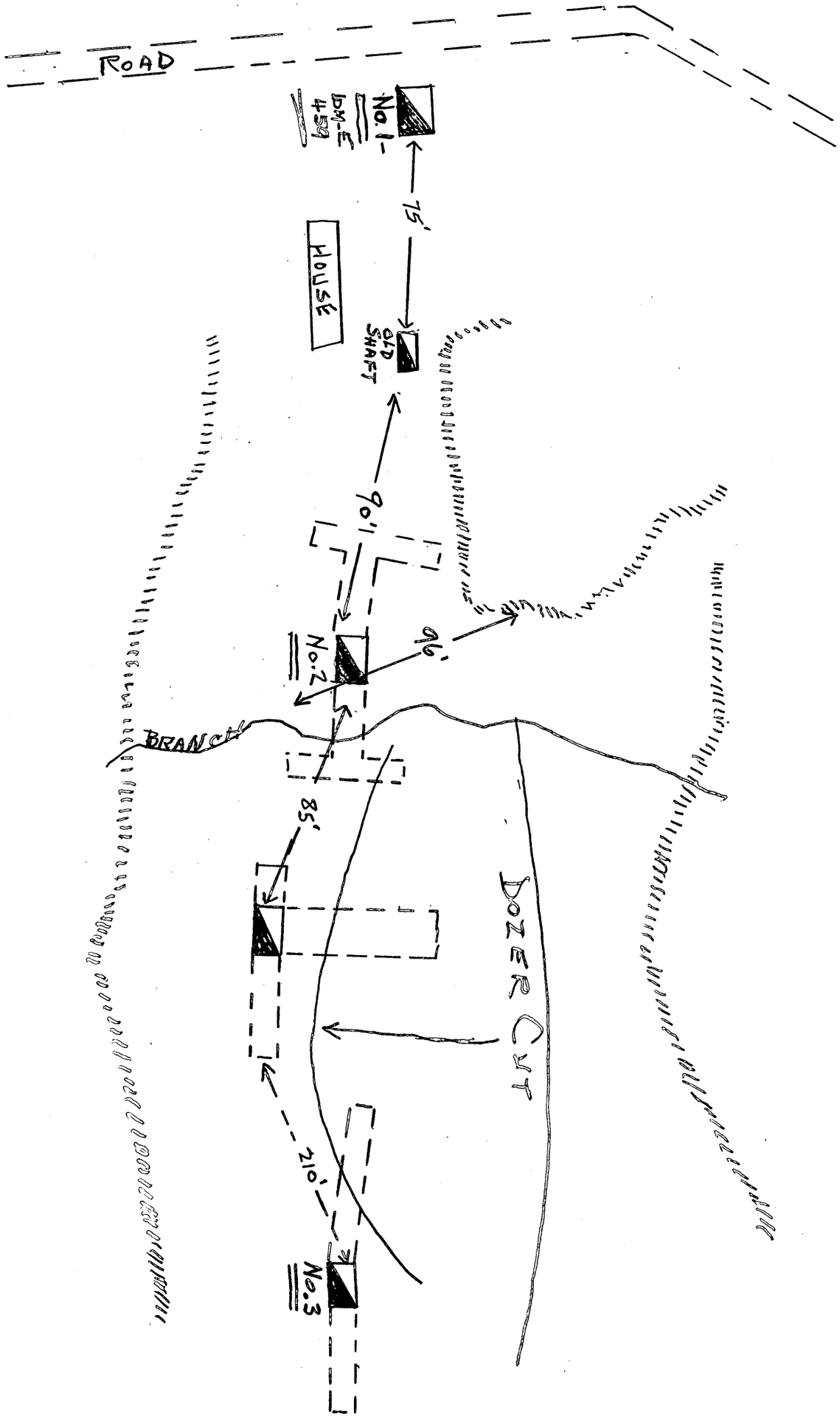
Exploration as outlined will make the Baird-Cove mine the most outstanding, from a point of production, of any in the district.

- - - - - 28,400

MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N.C. - MICA -
BAIRD-COVE MINE

PROPOSED EXPLORATION - SHAFTS NOS. 2, 3 &4.

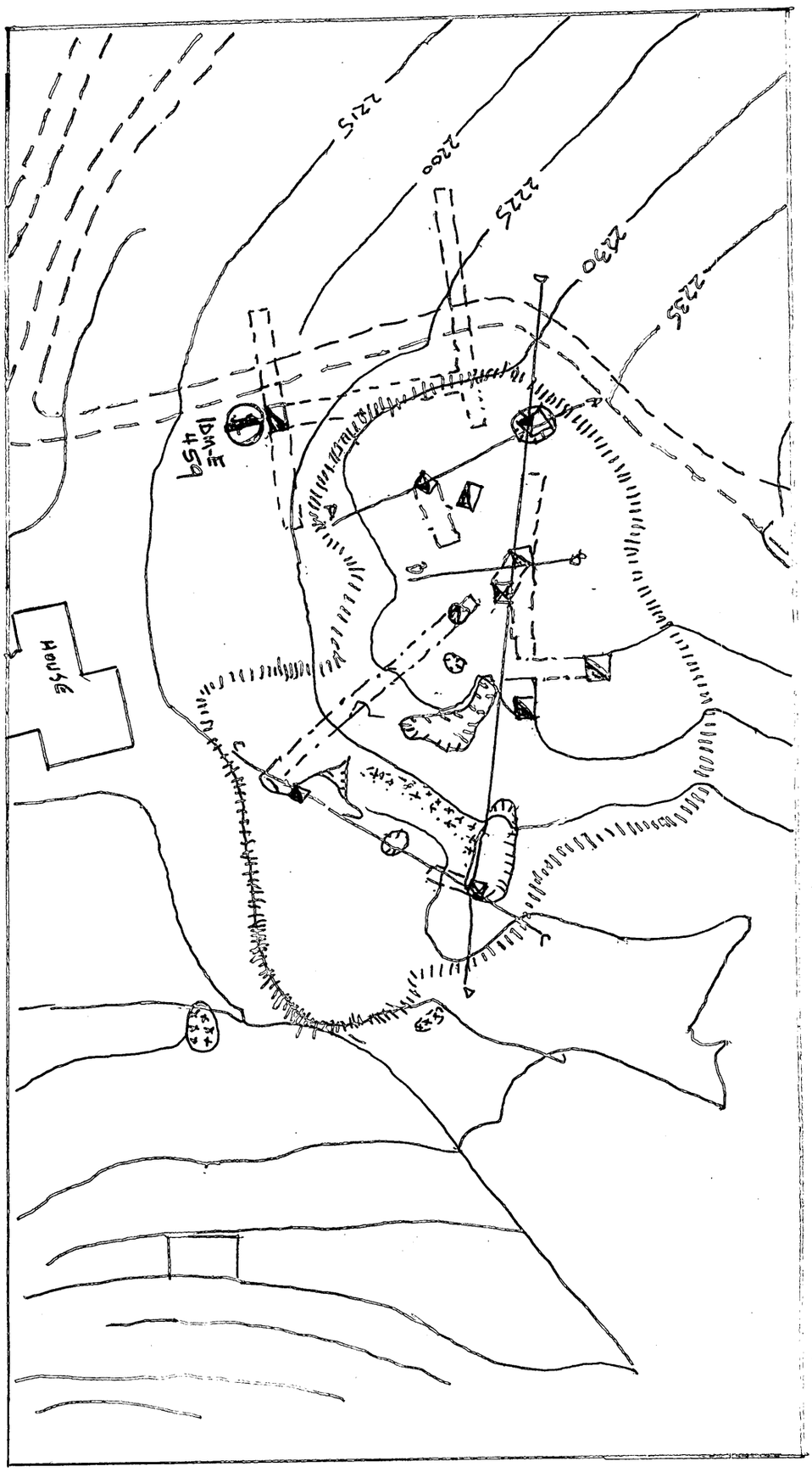
CONSIDERED TOTAL PEGMATITE AREA - //////.



MF-103 MICA INDUSTRIES INC. P.O. BOX 336 FRANKLIN, N.C. - MICA - BAIRD-COVE MINE

PRESENT EXPLORATION - SHAFT NO. 1.

CONTRACT NO. Idm-E 459.



NORTH CAROLINA

MACON COUNTY

THIS LEASE AGREEMENT, Made and entered into this 13th day of December, 1952, by and between PAUL L. GRIST and wife ELIZA COBB GRIST, hereinafter referred to as Lessors, and BERNARD BAUER and FRANK SIERSMA, trading as Bauer Mining Company, hereinafter referred to as Lessees, all of Macon County, North Carolina,

WITNESSETH, that subject to the terms and conditions hereinadter set forth, said Lessors do hereby let and lease unto said Lessees, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals, metals and stones now in, under and upon a certain tract or parcel of land lying and being in Macon County, North Carolina, consisting of 129 acres more or less, described as follows:

> BEING the lands conveyed by deed dated October 15, 1936, from Gilmer A. Jones, Commissioner, to M. D. Billings, registered in Book A-4 at page 192, and being the same lands described in a deed from C. C. Smith and wife Emma Baird, recorded in the Registers' Office for Macon County, North Carolina, in Book AA at page 340.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for date for a period of ten (10) years.

2. As rental or royalty Lessees, their heirs and assigns, shall pay to Lessors a sum equal to twelve and one half percent (12½%) of the sales price of sheet or block mica, Two Dollars ($2.00) per ton for scrap mica, Fifty Cents (50¢) per ton for feldspar and five percent (5%) for all other minerals mined and sold from said property.

3. In the ~~ve~~ event mining operations on said property do not commence by March 1, 1952, Lessees shall pay to Lessors the sum of Twenty Five Dollars ($25.00) per month as minimum royalty, and said sum shall further be paid monthly, during the term of this lease.

4. All royalties shall be paid on or before the 20th day of each calendar month following the production, sale and receipt of the sale price thereof, and the aforementioned minimum royalty shall be considered a part of each monthly earned royalty. In the event Lessees, their heirs or assigns shall fail to pay the royalties as herein stated on the 20th day of each month, Lessors may, by written notice to Lessee, its heirs or assigns, allow them to correct such condition or declare this lease to be null and void.

5. Lessors acknowledge receipt of One Hundred Seventy Five Dollars ($175.00) minimum royalty, previously paid by Bernard Bauer and agree that said sum shall be calulated as being part of total royalties and credited to same.

6. Lessees, their heirs and assigns, shall keep an accurate record of all sales from this property and same shall be open for inspection by Lessors at reasonable times.

7. In the event Lessees apply for Government aid to explore or operate said property, Lessors agree to execute and deliver any required subordination agreement in connection with same.

So long as this lease remains in force the Lessees, their heirs and assigns, in connection therewith, shall have and enjoy all the necessary and convenient rights and privileges associated with mining operations as held by Lessors.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul L. Grist
s/ Eliza Bobb Grist
s/ Bernard Bauer
s/ Frank Siersma

NORTH CAROLINA

MACON COUNTY

THIS OPTION, Made and entered into this 9th day of January, 1953, by and between BERNARD BAUER, of the first part, and FRANK SIERSMA of the second part, both of Macon County, North Carolina,

WITNESSETH; That for and in consideration of the sum of One Dollar($1.00), to him in hand paid, the receipt of which is hereby acknowledged, the party of the first part does hereby grant, bargain, sell and convey to the party of the second part, his heirs and assigns, t he exclusive right and option to purchase from him, his onehalf (1/2) interest in and to the following lease and contract:

BEING that certain lease from Paul Grist and Eliza Cobb Grist to Bernard Bauer and Frank Siersma, dated December 13, 1952, and recorded in the office of the Register of ?Deeds for Macon County, North Carolina, in Book C-6 at page 161; said lease covering the mineral rights and mining privileges on the Baird Cove mine, and

BEING Contract No. Idm-E 459, dated December 11, 1952, between the United States of America and the Bauer Mining Company, to explore for minerals in the Baird Cove mine.

THE TERMS AND CONDITIONS OF THIS OPTION ARE ASEFOLLOWS:

1. The purchase price for the one half (1/2) interest in the above mentioned lease and contract shall be:

   (a) Three Thousand Dollars ($3,000.00) in cash upon delivery of instrument(s) transferring said lease and contract, or

   (b) Five Thousand ($5,000.00), payable Fifteen Hundred Dollars ($1,500.00) in cash at the time of sale and the balance of Thirty Five Hundred Dollars (3,500.00) payable at the rate of Two Pernent (2%) of the gross selling price of all minerals mined and sold from said Baird Cove mine.

2. Should the party of the second part, his heirs or assigns, at any time during the existence of this option, or any extensions thereof, tender to the party of the first part the sum of Three Thousand Dollars ($3,000.00), the party of the first part agrees to immediately deliver a bill of sale covering his one half (1/2) interest in the above lease and contract.

3. Should the party of the second part, his heirs or assigns, tender to the party of the first part the sum of Fifteen Hundred Dollars ($1,500.00) and an agreement to pay a further sum of Thirty Five Hundred Dollars ($3,500.00), the party of the first part agrees to immediately deliver a bill of sale covering his one half (1/2) interest in the above lease and contract, PROVIDED said agreement includes the following clauses:

   (a) Said further sum to be paid at the rate of Two Percent of the gross selling price of all minerals mined and sold from the Baird Cove mine.

   (b) Said Two Percent (2%) shall be paid on the 20th day of each calendar month following the sale of said minerals, accompanied with a statement listing such sales, and the party of the second part, his heirs or assigns shall keep and make available to the party of the first part all necessary books and records covering the operation of the Baird Cove mine.

   (c) In the event operation of the Baird Cove mine should cease for a period of sixty (60) days further payments due to the party of the first part shall cease, but, in lieu of any remaining unpaid amount the party of the first part shall automatically regain his one half (1/2) interest in said lease and contract, without any charge whatsoever for same.

IN WITNESS WHEREOF, the parties hereto have this day set their hands and seals hereto.

s/ Bernard Bauer
s/ Frank Siersma

NORTH CAROLINA

MACON COUNTY

I, FRANK SIERSMA, of Macon County, North Carolina, for and in consideration of the sum of ONE DOLLAR ($1.00) AND OTHER GOOD AND VALUABLE CONSIDERATIONS, do hereby sell, assign and transfer to

MICA INDUSTRIES INC.

all my one half (1/2) right, title and interest in and to the following described lease:

> BEING the lease executed to BERNARD BAUER and FRANK SIERSMA on December 13, 1952, from Paul L. Grist and wife Eliza Cobb Grist, a copy of which lease is attached hereto and made a part hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this the 10th day of February, 1953.

s/ Frank Siersma

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 register's offoce for Macon County, N.C., in Book AA 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/ Mica Industries Inc.

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/$ 30,000.00, 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 20th day of February, 195 3.

Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

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 register's office for Macon County, N.C., in Book AA 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/ Mica Industries Inc.

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/$ 30,000.00, 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 20th day of February, 1953.

Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

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

2/ Mica Industries Inc.

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/$ 30,000.00, 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 20th day of February, 1953.

Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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RELEVANT CONTRACT PROVISIONS

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(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.

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MF-203

OWNER'S CONSENT TO LIEN

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

2/ Mica Industries Inc.

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:

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Dated this 20th day of February, 195 3.

Eliza Caleb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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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.

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 register's offoce for Macon County, N.C., in Book AA 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/ Mica Industries Inc.

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/$ 30,000.00, 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 20th day of February, 1953.

Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

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 register's office for Macon County, N.C., in Book AA 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/ Mica Industries Inc.

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/$ 30,000.00, 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 20th day of February, 1953.

Eliza Cobb Grist [Seal]

Paul L. Grist [Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

EXPLORATION

Subject: DMEA-2579
Re: Exploration Loan
Baird Cove
June 11, 1952

Mr. Charles W. Nicol
B-N-C Mica Co.
P. O. Box 509
Franklin, North Carolina

My dear Mr. Nicol:

This will acknowledge receipt of your application dated June 6, 1952 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2579 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2579 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams
Administrative Officer

7862

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. REVISED DMEA 2579
Metal or Mineral
Date Received 10-20-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

BAUER MINING CO.
CULLASAJA
MACON COUNTY, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed dated Oct. 15, 1936, from G. A. Jones, Comm., to M. D. Billings, registered in Book A-4, page 192; the same lands described in deed from C.C. Smith et al. to Emma Baird, recorded in the Register's Office for Macon County, N. C., in Book AA, page 340.

(*b*) State any mine name by which the property is known.

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

16—66551-1

OCT 2 1952

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

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated October 18, 1952, 195...

BAUER MINING CO.
(Applicant)

By Bernard Bauer Partner

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 10/18/52 DMEA BAUER MINING CO., CULLASAJA, MACON CO., N.C.

Application was made June 6, 1952 (Docket No. 2579)by N-N-C MICA CO., OF Franklin, N. C., covering property herein described.

Since that time, ownership of lease has changed and is now held by the following two persons who are partners in the BAUER MINING CO.

Bernard Bauer, Cullasaja, N. C.
Frank Siersma, P.O.Box 336, Franklin N. C.

Former partners were: Bernard Bauer, Chas.W. Nicol, and Neil Childers.

Sale of Neil Childers' interest was included in papers mailed to Washington a few days ago.

Copy of assignment of Chas. W. Nicol (1/2 undivided interest) to Frank Siersma, is attached.

All other particulars included has been completed by the Field Team.

It is requested that contract for exploration be drawn in the name of

BAUER MINING CO.

(If required, contract will be executed by both partners)

It is also requested that all documents sent in a few days ago be returned when they have served their purpose.

BAUER MINING CO.

By Bernard Bauer
Partner

NORTH CAROLINA
MACON COUNTY

THIS INDENTURE, Made and entered into this 4th day of August, 1952, by and between CHARLES W. NICOL, party of the first part, and FRANK SIERSMA, party of the second part, both of Macon County, North Carolina,

W I T N E S S E T H

That for and in consideration of the sum of ONE ($1.00) DOLLAR and other good and valuable considerations, the receipt of which is hereby acknowledged by the party of the first part, the said party of the first part has bargained, sold and conveyed, and by these presents does bargain, sell, and convey unto the party of the second part, his heirs and assigns, all right, title and interest and estate in and to the following lease:

> The lease made and entered into on April 29, 1952, by and between Paul Grist and wife Eliza Grist, and Zeb Angel and Neil Childers, and recorded in Book 39, page 491, Public Registry of Macon County, North Carolina; in which lease the party of the first part subsequently purchased a one half (1/2) undivided interest.

TO HAVE AND TO HOLD the above one half (1/2) undivided interest in the above said lease, right and interest unto the party of the second part, his heirs and assigns, to his only use and behoof, free and clear from any rights, claims or interests whatsoever of the party of the first part in said leasehold.

IN WITNESS WHEREOF, the party of the first part has hereunto set his hand and seal, this the 4th day of August, 1952.

s/ Charles W Nicol (SEAL)

NORTH CAROLINA
MACON COUNTY

The execution of the foregoing instrument was this day acknowledged before me by Charles W. Nicol, for the purpose therein expressed.

WITNESS my hand and seal, this the 4th day of August, 1952.

(SEAL) S/ Helen Sierema
Notary Public

My Commission Expires: June 13, 1954.

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
Participation (Government %) .....

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

BAUER MINING CO.
CULLASAJA
MACON COUNTY, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed dated Oct. 15, 1936, from G. A. Jones, Comm., to M. D. Billings, registered in Book A-4, page 192; the same lands described in deed from C. C. Smith et al, to Emma Baird, recorded in the Register's Office for Macon County, N. C., in Book AA, page 340.

(*b*) State any mine name by which the property is known.

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you [illegible]n to explore .....

.....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated October 18, 1952, 195...

BAUER MINING CO.
(Applicant)

By /s/ Bernard Bauer Partner

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. .....
Metal or Mineral .....
Date Received .....
Estimated Cost .....
Participation (Government %) .....

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: .....

BAUER MINING CO.
CULLASAJA
MACON COUNTY, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract BEING the lands conveyed by deed dated Oct. 15, 1936, from G. A. Jones, Comm., to M. D. Billings, registered in Book A-4, page 192; the same lands described in deed from C. C. Smith et al, to Emma Baird, recorded in the Register's Office for Macon County, N. C., in Book AA, page 340.

(*b*) State any mine name by which the property is known.

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you [illegible]n to explore .....

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(Applicant)

By /s/ Bernard Bauer Partner

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U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

COPY

Mine & Mineral
Consultant

Telephone 791
Mail Address:
P. O. Box 336

FRANK SIERSMA

Suite 19 Bank Building

Franklin, North Carolina

October 16, 1952

Defense Minerals Expl. Adm.
Department of the Interior
Washington 25, D. C.

Re: Docket 2579
Mica - Macon County

Attention: Mr. Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Dear Mr. Houk:

In answer to your letter, I sent you certain papers a few days ago connected with the application of B-N-C Mica Co. This supplied evidence that Chas. W. Nicol and myself held the lease to the property in question.

Mr. Nicol has assigned his interest to Frank Siersma who is now an equal partner with me in the Bauer Mining Co., which company will explore and operate the mine.

So that you may further process the application, evidence of the above is enclosed; attached to a new application form making Bauer Mining Co., the applicant.

We desire to proceed with the work as quickly as possible and trust the information supplied is sufficient. However, should you require additional details they will be forwarded without delay.

Sincerely yours,

/s/ Bernard Bauer

Bernard Bauer, Partner
Bauer Mining Co.

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/s/ Bernard Bauer

Bernard Bauer, Partner
Bauer Mining Co.

C
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P
Y

MF-103 10/18/52 DMEA BAUER MINING CO., CULLASAJA, MACON CO., N. C.

Application was made June 6, 1952 (Docket No. 2579) by B-N-C MICA CO., OF Franklin, N. C., covering property herein described.

Since that time, ownership of lease has changed and is now held by the following two persons who are partners in the BAUER MINING CO.

Bernard Bauer, Cullasaja, N. C.
Frank Siersma, P.O.Box 336, Franklin N.C.

Former partners were: Bernard Bauer, Chas. W. Nicol, and Neil Childers.

Sale of Neil Childers' interest was included in papers mailed to Washington a few days ago.

Copy of assignment of Chas. W. Nicol (1/2 undivided interest) to Frank Siersma, is attached.

All other particulars included has been completed by the Field Team.

It is requested that contract for exploration be drawn in the name of

BAUER MINING CO.

(If required, contract will be executed by both partners)

It is also requested that all documents sent in a few days ago be returned when they have served their purpose.

BAUER MINING CO.

By /s/ Bernard Bauer
Partner

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Partner

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 11 1952

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-2579
Metal or Mineral
Date Received 6-11-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

B-N-C MICA CO.
P.O.BOX 509
FRANKLIN, N.C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

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

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

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(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

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

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

(b) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

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NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (a) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(b) How do you propose to furnish your share of the costs?

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Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated 6/6/52, 195...

B-N-C MICA CO.
(Applicant)

By Charles W. Nicol
Partner

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 B-N-C MICA CO. P. O. BOX 509 FRANKLIN, N. C. MICA 6/6/52

1. (b) Partnership; organized in North Carolina.

(d) ALL PARTNERS:

Bernard Bauer	P. O. Box 509	Franklin, N. C.
Chas. W. Nicol	P. O. Box 509	Franklin, N. C.
Neil Childers	Gen. Delivery	Franklin, N. C.

3. (a) Legal description of land upon which exploration will be made, is part of lease (copy attached); entire property covered by same is devoted to this project.

(b) Name of Mine - Baird Cove; has also been referred to as Baird-Smith Mine.

(c) Applicant's interest is as Lessee.

(d) Copy of lease attached.

(f) Book and page number appear in lease.

4. (a) During last war, a Mr. Snow operated this mine and employed 52 sheeters.
(b) Entire output was sold to Colonial Mica Company. The mine is reported in
(c) "Geological Survey Professional Paper 225". 798 pieces tested resulted
(d) in 100% E-1; type of material - 3,4,5,6 (no stains). Smallest piece of mica presently evident is 4" on shortest side.

A sketch of past workings is attached. Eight (8) shafts have been sunk to a depth, maximum, of 65 feet; 4 on the east and 4 on the west. Each produced highly profitable operation but were stopped when disturbing water conditions were encountered.

The mine is easily accessible for examination and operation; being 3½ miles from Franklin, N. C., in Cartoogechaye Township. Attached sketch designates roads, etc. Furlow Springs Road is a county road, leading from State Highway 64, and extends to mine.

Applicant is now retimbering a shaft on east end, which will be extended to a depth of 75 feet. About $1000.00 has been spent thus far and the desired depth will be reached within the next two weeks. It will expose the pegmatite condition below all past workings and substantiate reasons for desired form of exploration.

The pegmatite is known to be approximately 100 feet wide and 500 feet long. A stream crosses the 100 feet, west of the east shafts, and has largely accounted for the troublesome water conditions during past workings. Diversion of this stream will permit control of such conditions. The size of blocks previously recovered, workings in 8 locations and first hand information secured from previously employed miners of experience places this mine in the same category as others in the district. In particular, the Iotla-Bradley Mine is composed of very similar conditions. It has produced about the same size of material, is of about the same general size, is now approximately 300 feet deep and after extremely profitable operation is still considered to contain commercial ore bodies. Regardless of additional depth, it has been established that the Baird-Cove Mine is prolific in mineral to a depth of 65 feet on both the east and west ends of the pegmatite and the area in between has not been explored. Applicant is convinced that exploration as herein outlined will produce high quantities of strategic ruby mica.

(f) Sufficient manpower, materials, supplies, erc., are available.

5. (a) Minerals To Be Explored For - - STRATEGIC RUBY MICA.

(b) Attached sketch shows proposed work. It is first proposed to relocate the stream to a position over the area close to the east end of the mine. Exploration will then continue westward toward old shafts on west end, by means of bulldozing for approximately the entire distance; the cut to be 60 feet deep, 60 feet wide at top and 20 feet wide at bottom. Pumping equipment will be required as well as a dragline with 30 foot boom and possibly bucket equipment. This will explore the entire pegmatite and permit future operation by means of a series of tunnels and additional shafts when desired.

5. (c) Work will start upon signing of contract and be completed within four (4) months.

(d) Applicant company has just been formed. Chas. W. Nicol has operated mining properties in Virginia and North Carolina, in the capacity of Mining Engineer, for the past 15 years. Neil Childers has specialized in mica mining and processing in this District for nearly 20 years. Both are fully qualified and will supervise this work.

6. ESTIMATED COSTS:

(a) Independent Contracts:

Reroute existing stream, deepen & build bridge	$3200.00	
Relocate & move 2 existing homes	1200.00	
Install 3-phase electric-power line	600.00	
		$ 5,000.00

(b)

1 Engineer-Superintendent 20 days @ $20.00	$ 400.00	
1 Working Foreman, 80 days @ $15.00	1200.00	
5 Miners & Muckers, 70 days each @ $8.00 per day each	2800.00	
		4,400.00

(c)

Electric Power, 4 months @ $40.00 per month	$ 160.00	
2 Wheelbarrows	59.50	
10 Picks & Handles	60.00	
10 Shovels & Handles	40.00	
Miscellaneous hand tools	35.00	
		354.50

(d) Rentals:

Bulldozer, 300 hoirs @ $10.00 per hour	$3000.00	
Dragline with 30' boom, 3/4 yd. bucket 480 hours @ $12.00 per hous	5760.00	
2 - 3 HP Electric Pumps, 3 months each @ $60.00 per month each	360.00	9,120.00

(f)

Erection of Tool House, 18' x 40'	$ 600.00	600.00

(g)

Analytical work and accounting	$ 80.00	
Workmen's Compensation and Employer's Liability Insurance	260.00	
Payroll Taxes	60.00	400.00

TOTAL ESTIMATED COST OF PROJECT - - - - - - - - - - - - - - $ 19,874.50

7. (a) Applicant is prepared to furnish 10% of cost of the proposed project in accordance with regulations.

(b) Applicant's share of cost will be furnished in cash or possibly a contribution on the part of Chas. W. Nickol and Neil Childers.

- - -

EXPLANATION: Applicant considers this mine to be one of the outstanding ruby mica mines in the District and believes exploration as outlined will establish the existence of commercial ore bodies. However, further study by, and consultation with the Field Team will be welcomed at time of examination.

- - -

NORTH CAROLINA
MACON COUNTY

THIS LEASE AGREEMENT, made and entered into this 29th day April, 1952, by and between PAUL GRIST and wife ELIZA COBB GRIST of Macon County, N.C., of the first part, hereinafter referred to as Lessors, and ZEB ANGEL and NEIL CHILDERS of Macon County, N.C. of the second part, hereinafter referred to as Lessees.

WITNESSETH, That subject to the terms and conditions hereinafter set forth, said Lessors have let and leased unto said Lessees, their heirs and assigns, the exclusive right and privilege to mine, dig and remove all minerals, metals and stones now in, under and upon a certain tract or parcel of land lying and being in Macon County, N. C. consisting of 129 acres, more or less, described as follows:

> 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 Register's Office for Macon County, North Carolina, in Book AA, page 340.

THE TERMS AND CONDITIONS OF THIS LEASE ARE AS FOLLOWS:

1. Unless sooner terminated as herein provided, this lease shall exist and continue for a period of ten (10) years from date hereof.

2. As rental or royalty, Lessees, their heirs and assigns shall pay to Lessors a sum equal to twelve and one half percent (12½) for sheet or block mica, two dollars ($2.00) per ton for scrap mica, fifty cents per ton for feldspar and the usual royalty for all other minerals mined and sold from said property.

3. Sixty (60) days from date hereof, Lessees, their heirs and assigns shall pay to Lessors the sum of Fifty Dollars ($50.00) and thereafter a sum of Twenty Five ($25.00) Dollars er month; said sums being the amount of minimum royalty for which this lease is being provided by Lessors.

4. All royalties shall be paid on or before the 20th day of each calendar month following the production, sale and receipt of the sale price thereof, and the sain minimum royalty shall be calculated as being a part of total royalties. In the event Lessees, their heirs and assigns shall fail to pay Lessors the above mentioned minimum royalty on the 20th day of each month this lease shall be null and vid upon written notice by Lessors to Lessees, their heirs and assigns.

5. Lessees, their heirs and assigns shall keep an accurate record of all sales from this property and same shall be open for inspedtion by Lessors at reasonable times.

6. In the event Lessees apply for Government aid to explore or operate this property, Lessors agree to execute and sign any required subordination agreement in connection therewith.

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

> The right to reasonable use of said lands as may be necessary or convenient in mining and removing the minerals from same and to such use of the surface as may be required for the purpose of dumping mine refuse and tailings; the right to construct and place buildings and machinery upon said lands for mining purposes and to remove same; the right to cut and use any timber on said lands as the purposes herein require; the right to build and maintain roads, trails and railways to such portions of the property where mining operations are in progress or are to be conducted; the complete right of ingress, egress and regress to, into and from said hands, and the full right to do all things necessary or convenient in the conduct of said mining operations, subject to the rights held by Lessors.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul L. Grist (SEAL)

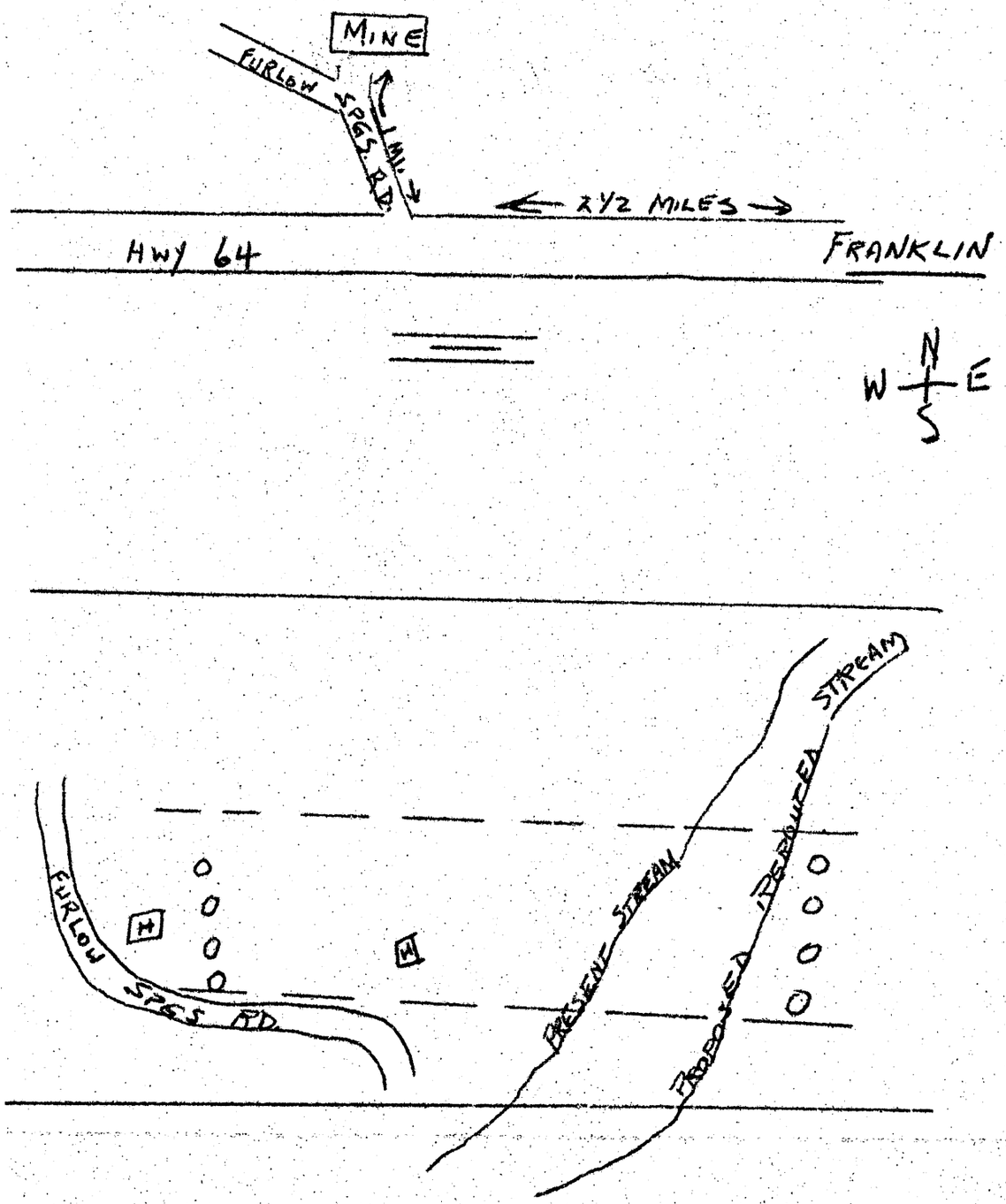
s/ Eliza Cobb Grist (SEAL)

s/ Zeb Angel (SEAL)

s/ Neil Childers (SEAL)

MF-103 D-M-C MICA CO. P.O. BOX 509 FRANKLIN, N.C. MICA 6/6/52

BAILED COVE MINE CARTOOGECHAYE TOWNSHIP, MACON COUNTY, N. C.



o - - - - Old Shafts (max. depth 65 feet)

H Houses to be relocated.

- - - Proposed dozing & dragline work of vein (60' wide, 500' long)

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JUN 11 1952
RECEIVED

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. DMEA-2579
Metal or Mineral
Date Received 6-11-52
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address:

B-N-C MICA CO.
P. O. BOX 509
FRANKLIN, N. C.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract

(*b*) State any mine name by which the property is known.

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes.

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades.

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

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

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

5. *The exploration project.*—(*a*) S[illegible] the mineral or minerals for which you wish [illegible]xplore .....

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc.

(*c*) The work will start within ..... days and be completed within ..... months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)?

(*b*) How do you propose to furnish your share of the costs?

☐ Money ☐ Use of equipment owned by you ☒ Other

Explain in detail on acompanying paper.

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

Dated 6/6/52, 195...

B-N-C MICA CO.
(Applicant)

By Charles W. Nicol
Partner

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

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

MF-103 B-N-C MICA CO. P. O. BOX 509 FRANKLIN, N. C. MICA 6/6/52

1. (b) Partnership; organized in North Carolina.

(d) ALL PARTNERS:

Bernard Bauer	Skyway Hotel P. O. Box 509	Franklin, N. C.
Chas. W. Nicol	P. O. Box 509	Franklin, N. C.
~~Neil Childers~~	~~Gen. Delivery~~	~~Franklin, N. C.~~

3. (a) Legal description of land upon which exploration will be made, is part of lease (copy attached); entire property covered by same is devoted to this project.

(b) Name of Mine - Baird Cove; has also been referred to as Baird-Smith Mine.

(c) Applicant's interest is as Lessee.

(d) Copy of lease attached.

(f) Book and page number appear in lease.

4. (a) During last war, a Mr. Snow operated this mine and employed 52 sheeters.
(b) Entire output was sold to Colonial Mica Company. The mine is reported in
(c) "Geological Survey Professional Paper 225". 798 pieces tested resulted
(d) in 100% E-1; type of material - 3,4,5,6 (no stains). Smallest piece of mica presently evident is 4" on shortest side.

A sketch of past working is attached. Eight (8) shafts have been sunk to a depth, maximum, of 65 feet; 4 on the east and 4 on the west. Each produced highly profitable operation but were stopped when disturbing water conditions were encountered.

The mine is easily accessible for examination and operation; being 3½ miles from Franklin, N. C., in Cartoogechaye Township. Attached sketch designates roads, etc. Furlow Springs Road is a county road, leading from State Highway 64, and extends to mine.

Applicant is now retimbering a shaft on east end, which will be extended to a depth of 75 feet. About $1000.00 has been spent thus far and the desired depth will be reached within the next two weeks. It will expose the pegmatite condition below all past workings and substantiate reasons for desired form of exploration.

The pegmatite in known to be approximately 300 feet wide and 500 feet long. A stream crosses the 300 feet, west of the east shafts, and has largely accounted for the troublesome water conditions during past workings. Diversion of this stream will permit control of such conditions. The size of blocks previously recovered, workings in 8 locations and first hand information secured from previously employed miners of experience places this mine in the same category as others in the district. In particular, the Iotla-Bradley Mine is composed of very similar conditions. It has produced about the same size of material, is of about the same general size, is now approximately 300 feet deep and after extremely profitable operation is still considered to contain commercial orebodies. Regardless of additional depth, it has been established that the Baird-Cove Mine is prolific in mineral to a depth of 65 feet on both the east and west ends of the pegmatite and the area in between has not been explored. Applicant is convinced that exploration as herein outlined will produce high quantities of strategic ruby mica.

(f) Sufficient manpower, materials supplies, etc., are available.

5. (a) Minerals To Be Explored For - - STRATEGIC RUBY MICA.

(b) Attached sketch shows proposed work. It is first proposed to relocate the stream to a position over the area close to the east end of the mine. Exploration will then continue westward toward old shafts on west end, by means of bulldozing for approximately the entire distance; the cut to be 60 feet deep, 60 feet wide at top and 20 feet wide at bottom. Pumping equipment will be required as well as a dragline with 30 foot boom and possibly bucket equipment. This will explore the entire pegmatite and permit future operation by means of a series of tunnels and additional shafts when desired.

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NORTH CAROLINA
MACON COUNTY

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> 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 Register's Office for Macon County, North Carolina, in Book AA, page 340.

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IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

s/ Paul L. Grist (SEAL)

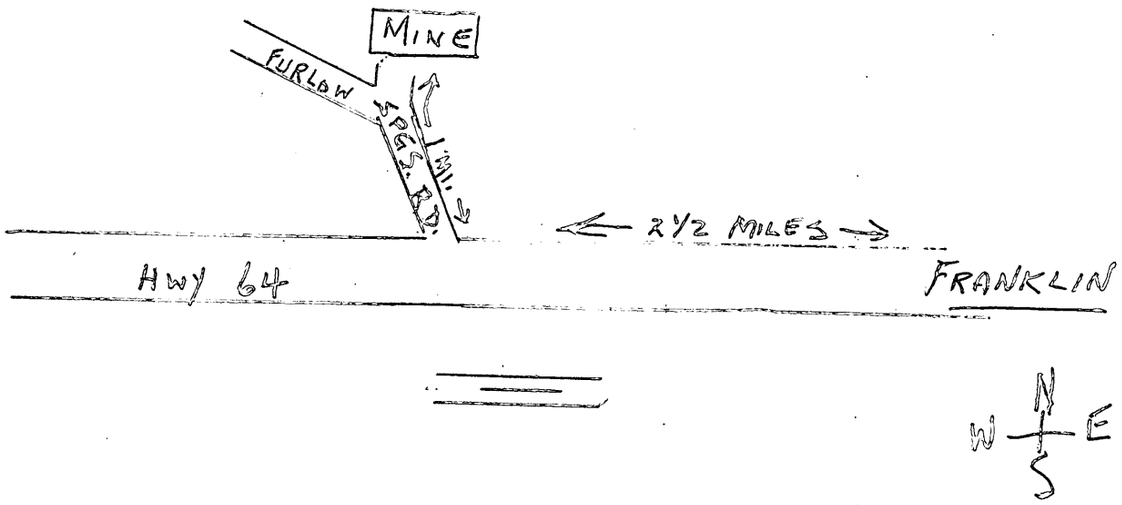
s/ Eliza Cobb Grist (SEAL)

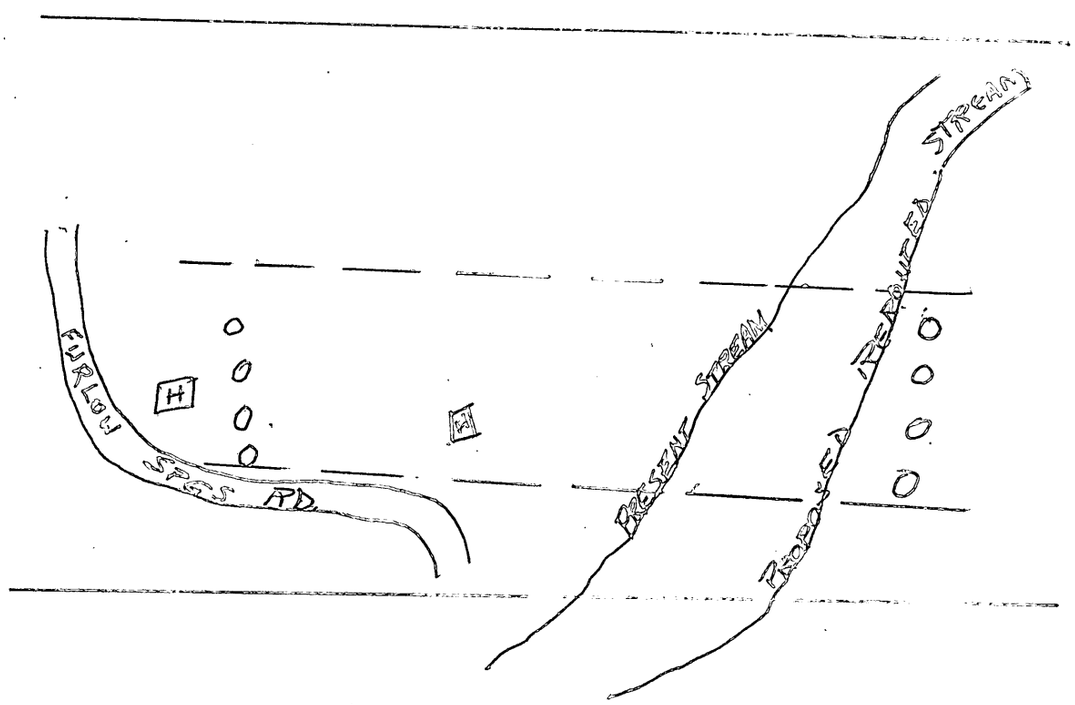
s/ Zeb Angel (SEAL)

s/ Neil Childers (SEAL)

MF-103 B-N-C MICA CO. P.O. BOX 509 FRANKLIN, N.C. MICA 6/6/52

BAIRD COVE MINE CARTOOGECHAYE TOWNSHIP, MACON COUNTY, N. C.





o - - - - Old Shafts (max. depth 65 feet)

H Houses to be relocated.

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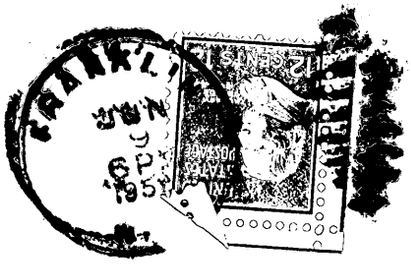
B-N-C MICA COMPANY
P. O. BOX 509
FRANKLIN, N. C.

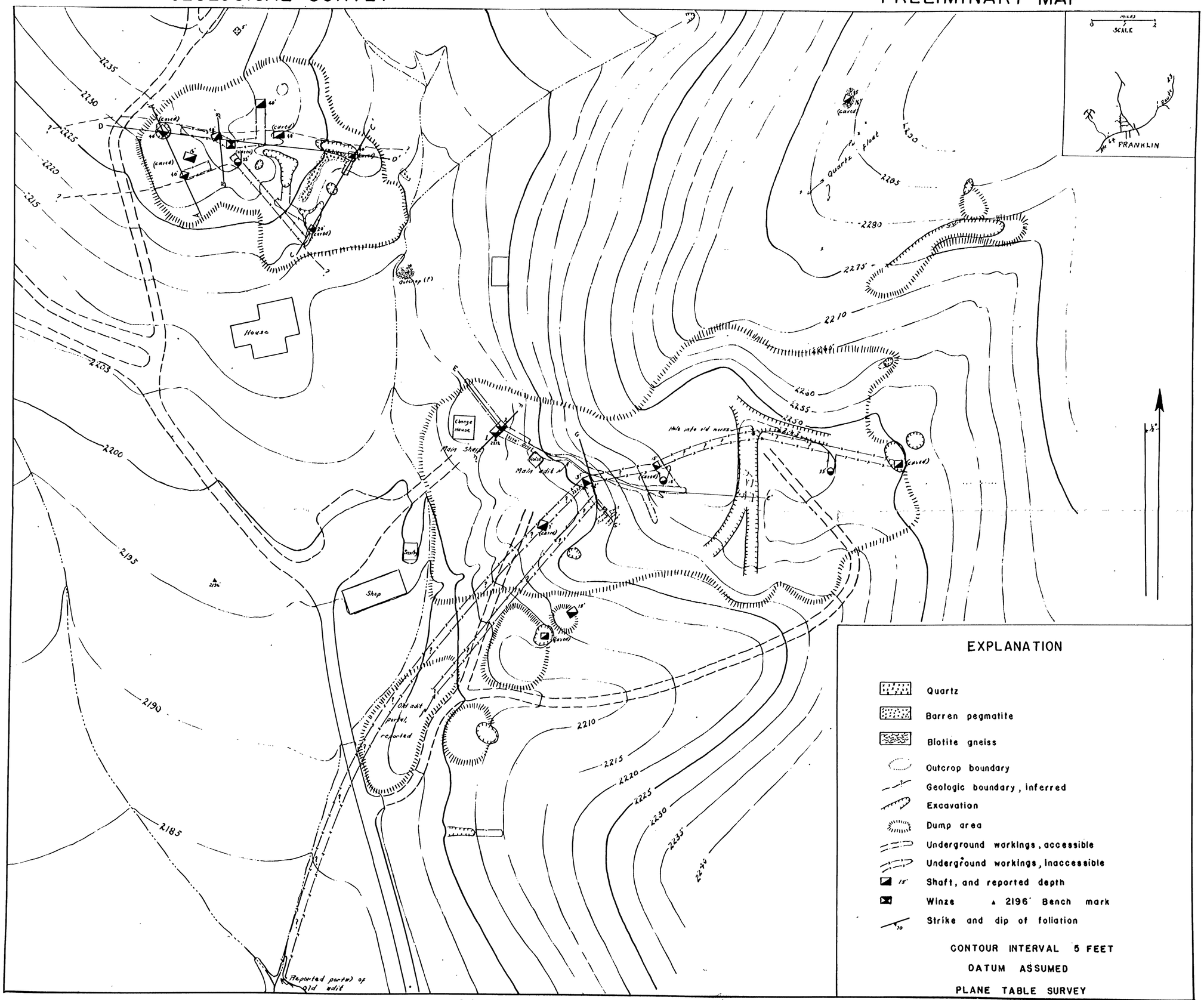


First Class

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

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERALS INVESTIGATIONS
PRELIMINARY MAP



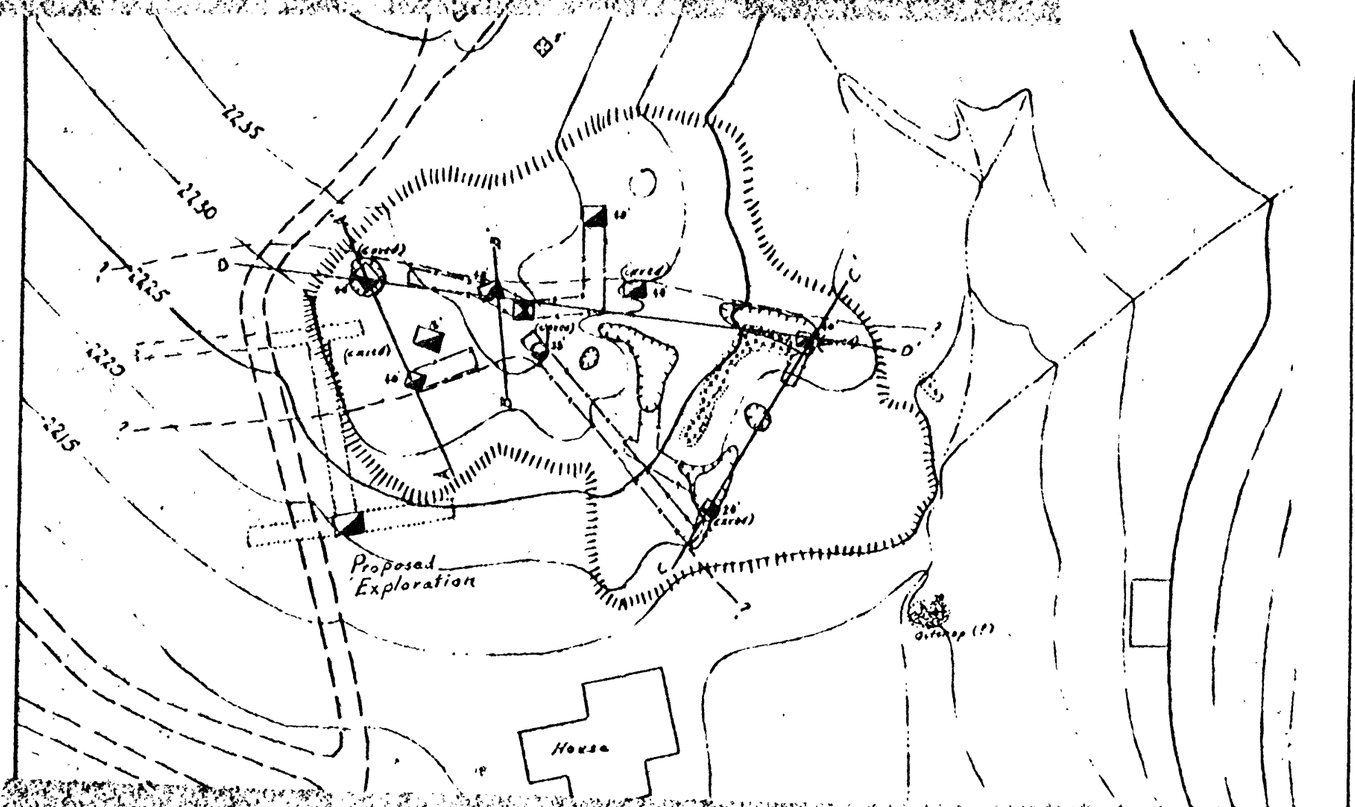
Prepared in cooperation with the North Carolina Department of Conservation and Development

BAIRD MICA MINE
MACON COUNTY, N.C.

Scale

Geology and topography by D.M.Larrabee and M.R.Klepper
Dec. 24, 1943
Caved works located by Fred Willi

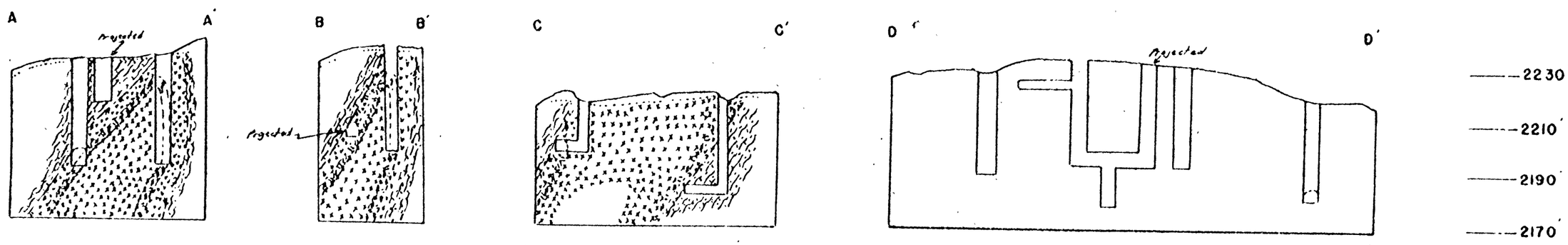
Open filed Jan 44



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

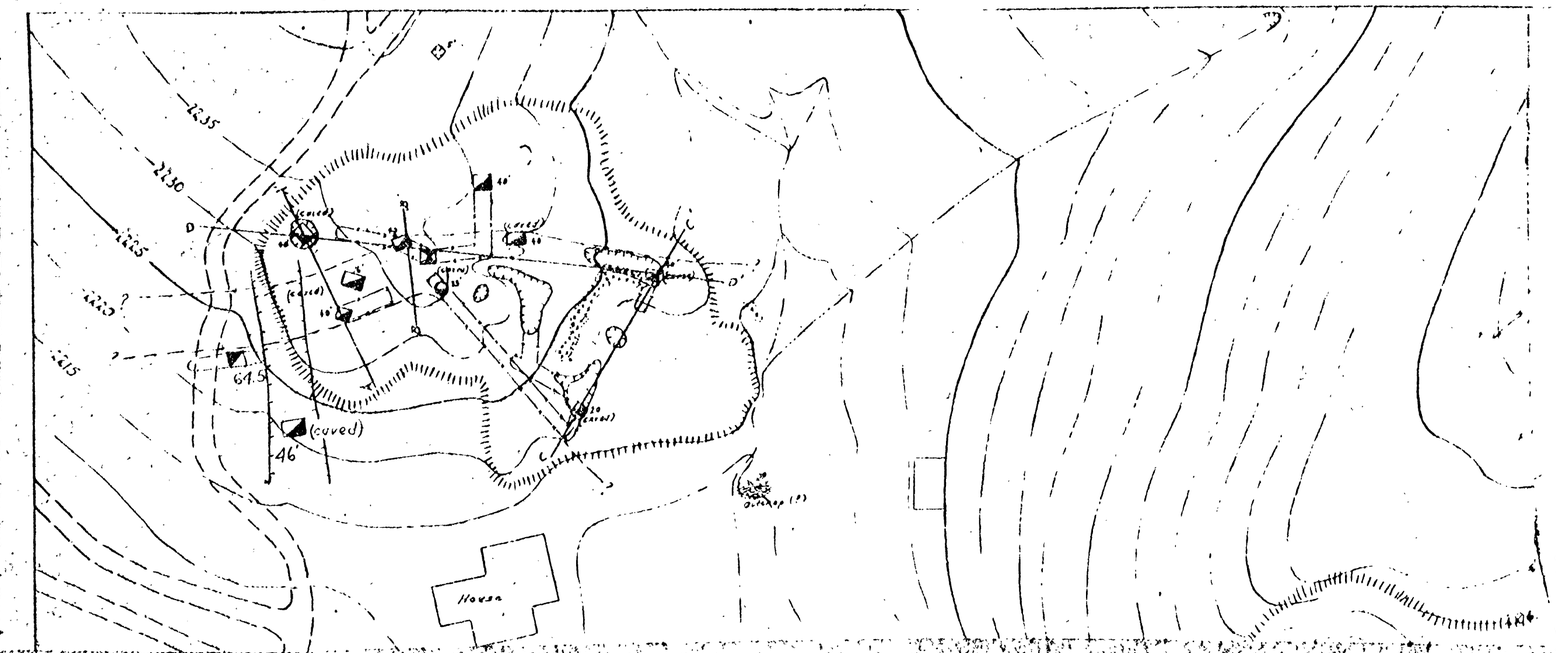
MACON COUNTY, N.C.

0 20' 40'

DMEA-2579

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

STRATEGIC MINERAL INVESTIGATIONS
PRELIMINARY MAP



EXPLANATION

- Sheet-mica zone
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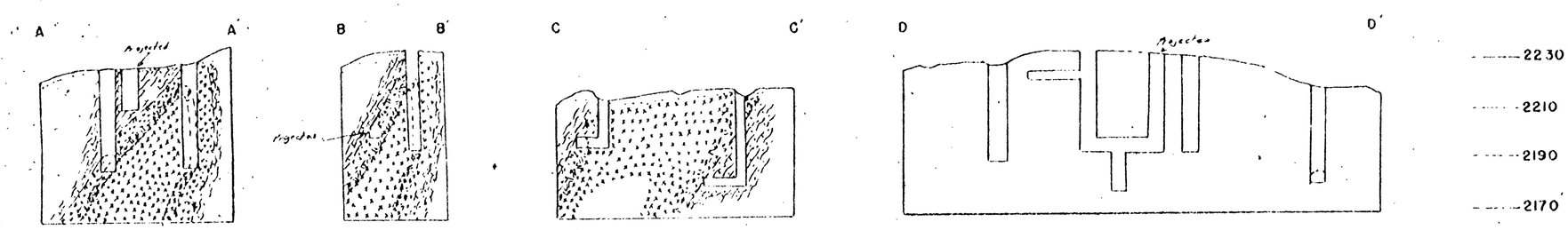

SECTIONS THROUGH REPORTED WORKINGS
FROM DESCRIPTIONS BY F. WILLIS, SUPT.

BAIRD MICA MINE
MACON COUNTY, N.C.

0 20' 60'