Docket copy

NOTICE OF TERMINATION

To: Robert Baker
R.F.D. No. 1, Box 109
Toe Cane, North Carolina

Operator under Exploration
Project Contract Idm-E444
Docket No. DMEA-2646,
dated November 13, 1952.

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereby terminates the subject contract, under the terms thereof (which preserves the Government's rights with respect to a percentage royalty), on the following ground:

> In the opinion of the Government, you have failed to prosecute operations pursuant to the terms of the contract, in that you have not performed any work since March 1953, that all mining equipment has been removed from the property which is the subject of the exploration project, and that the time for the completion of the work, November 13, 1953, has passed.

The Government will make no contribution to the agreed unit costs of work performed after the date of receipt by you of this notice.

All rights of the Government with respect to certification of discovery or development, percentage royalty, and lien for payment, as provided in the contract, are preserved.

Dated this 1st day of March, 1954.

THE UNITED STATES OF AMERICA

By C P Mitteudorf
Administrator, Defense Minerals Exploration Administration

Robin
Hollum
Hook
Chamberlin

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Contract Amendment No. 1

DMEA Docket No. 2646, Idm-E444 (mica) Robert Baker, Operator.

Contract Docket No. 2646, Idm-E444, dated 13th November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and ROBERT BAKER of Tee Cane, R.F.D. No.1, Box 109, 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 twelve (12) months from the date of this contract,"... instead of six (6) months as written in the original contract.

This amendment is necessary because of inadequate facilities for handling the flow of water in the shaft, thus work has been very slow and extra time is needed for completion of 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 the provisions of Article 4 of the contract form.

Dated: April 27, 1953

ROBERT BAKER

By Robert Baker

THE UNITED STATES OF AMERICA

By: W. A. Beck
Acting Executive Officer, DMEA
Field Team, Region 7

SM

MF-200 (A)
(February 1952)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

DOCKET NO. DMEA 2646

COMMODITY Mica

Docket Copy
IDM-E 444

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

EXPLORATION PROJECT CONTRACT[1]
(Short Form)

IT IS AGREED this 13th day of November, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Robert Baker, of Mc Ians, R.F.D. No. 1, Box 129, North Carolina

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 Mitchell, described as follows: being in Snow Creek Township, containing 67 acres more or less, adjoining the lands of J. J. Conley and others, and being the same identical lands described in a deed executed by [illegible] Harrison, Sheriff, to W. C. Pitman and Brown McKinney on the 16th day of August, 1920 and recorded in the office of the Register of Deeds for Mitchell County, North Carolina, in Book No. 73 at page 505 A.S., the Operator represents and

(a) [illegible] undertaken:

(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] Strategic Mica

in or upon the described land; and shall bring the project to completion within a period of six 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. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $6,633.00, which is 90 percent of $7,370.00, 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 check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is 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*) *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 the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, 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 and statement of work performed to accompany his final report.

ARTICLE 6. *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 the 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 7. *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 8. *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.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

Robert Baker
(Operator)

By Robert Baker

By O. Whittemore
Administrator, Defense Minerals Exploration Administration

Approved
Hank Fabert

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

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXPLORATION PROJECT CONTRACT
ROBERT BAKER
DOCKET NO. DMEA-2646

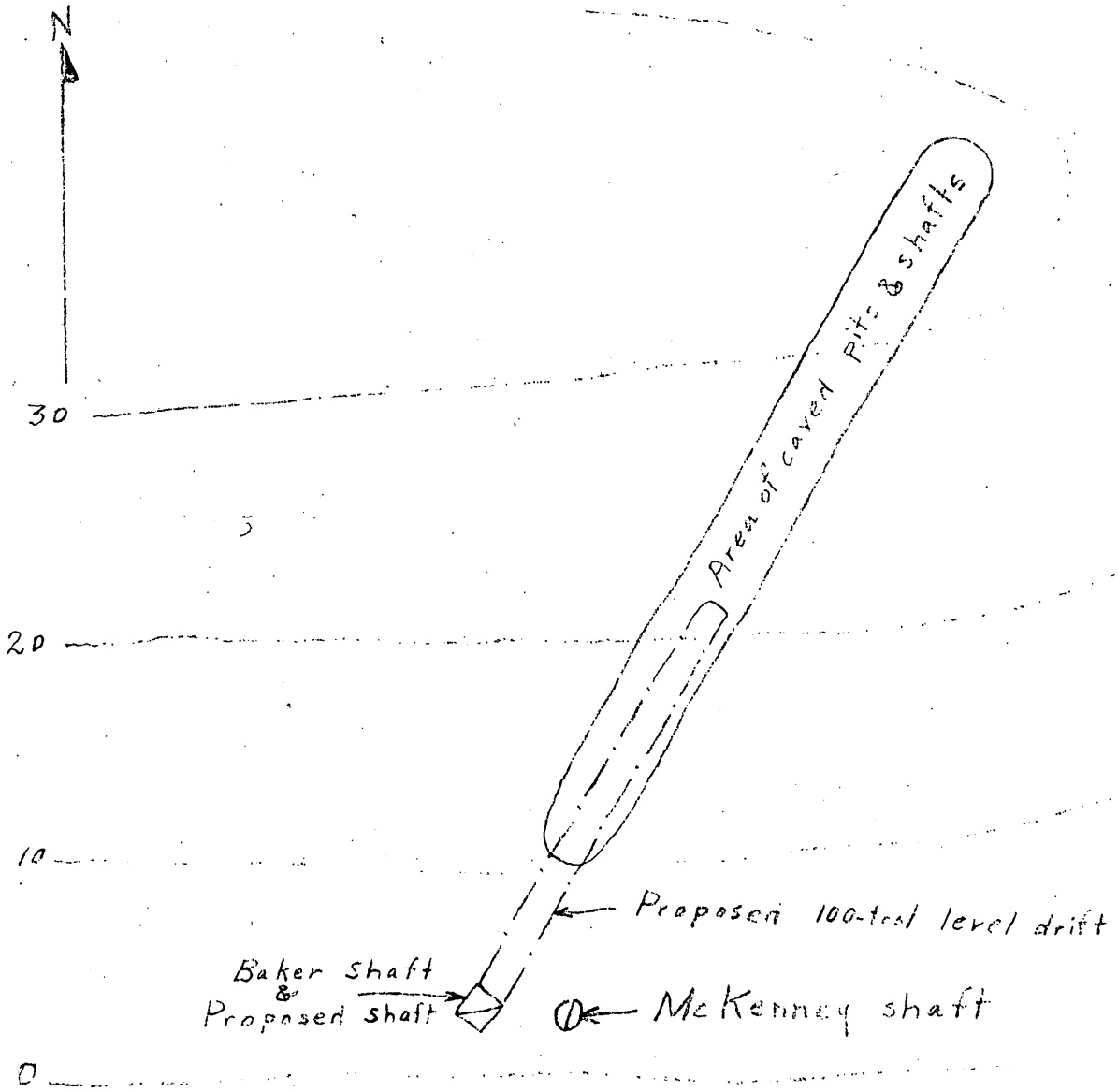
EXHIBIT "A"

Description of the Work

At the location marked "Proposed Shaft" on the sketch entitled "Sketch of Plan - Zinnaman Mine, Mitchell Co., N. C., 8/7/52, DMEA-2646," attached hereto and made a part hereof, remodel the existing "Baker Shaft" to 5 feet by 7 feet in the clear to its bottom and sink to a vertical depth of 105 feet below its collar. Drive a drift 5 feet by 7 feet in cross-section from the bottom of the aforementioned shaft for a length of not more than 100 feet.

Agreed Estimated Costs

Remodeling shaft 46 ft. @ $20.00/ft.	$ 920.00	
Sinking shaft 59 ft. @ $50.00/ft.	2,950.00	
100 ft. of drift @ $35.00/ft.	3,500.00	
Estimated Total Cost		$7,370.00
Government Participation @ 90%		$6,633.00



SKETCH of
Plan

Zimmiman Mine
Mitchell Co., N.C.

0 40' 80'
Scale

8/7/52 DMEA

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows: 1/ All the mineral and mining rights in a certain piece or parcel of land lying and being in Snow Creek Township, containing 67 acres more or less, adjoining the lands of J. J. Conley and others, and being the same identical lands described in a deed executed by L. F. Burleson, Sheriff, to M. C. Pitman and Brown McKinney on the 16th day of August, 1920 and recorded in the office of the Register of Deeds for Mitchell County, North Carolina, in Book No. 74 at page 505 & c., reference is hereby made to said recorded deed for a more complete description of the said land

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/ Robert Baker, Toe Cane, R.F.D. No. 1, Box 109, N. C.

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/$ 6,633.00, 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 7 day of Oct, 1952.

Brown McKinney [Seal]

Frances McKinney [Seal]

M C Pitman [Seal]

Mrs M C Pitman [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.

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.

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMEA ~~DMA~~ Docket No. 2646

DO NOT DETACH THIS SLIP

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

This document has been recorded as

EXPLORATION PROJECT

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

Routing Slip

Copies to USBM, USGS, and Region VII.

To:	Code 600, Rm. 4637	Date	8-12-52
To:	Hearne	Date	8/13/52
To:	Oper Com.	Date	11-14-54
To:	Oper Com	Date	10-4-54
To:	Oper Com	Date	10-18-54
To:		Date	
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

Docket Copy
Surname:
Hoch
Hoffland
Selfridge
Rattendorf

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

INTERIOR DEPT.
OCT 7 - 1954
SOLICITOR

600

OCT 12 1954

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

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

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

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

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

Dear Mr. Laurence:

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

I

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

II

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

R.C.H.

Hank

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

III

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

IV

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

V

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

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

J. H. Hedges (JHB)

Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)

Member, Geological Survey

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

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

DMEA Docket copy
140 Surname:
Houk
Rewritten by Hoffland Selfridge.

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

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

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

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

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

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

Dear Mr. Laurence:

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

I

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

II

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

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

III

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

IV

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

V

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

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

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JB)

Approved:

J. H. Hedges

Member, Bureau of Mines (JB)

Thor H. Kiilsgaard

Member, Geological Survey (JB)

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

Docket Copy
Surname:
Houk

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

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

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

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

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

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

Dear Mr. Laurence:

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

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

I hope this will answer your questions.

Sincerely yours,

Approved:

Member, Bureau of Mines

Chairman, Operating Committee

Member, Geological Survey

LGHouk:gad 9/22/54

Copy to: Admr. R. File
Docket (4)
Operating Committee
Mr. Kilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk (4)

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

September 17, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-2646, Idm-E444 (mica) Robt. Baker, Zinniman Mine
DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Old Mauney Mine

Reference is made to a memorandum dated August 20 from the Executive Officer, Region VII, to the Operating Committee which Mr. Houk has submitted to this office on a routing slip dated August 25, received here September 2, asking us to prepare an answer. The memorandum from the Administrative Officer asks why in terminating certain contracts the Government's royalty rights are preserved in one case and not in another.

This office does not and cannot determine when royalty rights are to be preserved in connection with the termination of contracts. The answer should be prepared in the Commodity Division, and this office will review it if that seems desirable.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

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

September 17, 1954

Memorandum

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

From: Acting Assistant Solicitor, Defense Minerals

Subject: DMEA-2646, Idm-E444 (mica) Robt. Baker, Zinniman Mine
DMEA-2725, Idm-E480 (mica) Forest City Mining Co. Old Mauney Mine

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J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

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

August 20, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: DMEA-2646, Idm-E 444 (mica) Robt. Baker, Zinniman Mine

DMEA-2725, Idm-E 480 (mica) Forest City Mining Co.
Old Mauney Mine

Reference is made to your letter of August 17, concerning termination of these contracts.

At the time the termination agreements were prepared, we evidently misunderstood the language, for we assumed that the Government was preserving the right to repayment for work already done, in case a new applicant should be awarded a contract to complete the work which was abandoned by default of the original Operators. As it now stands, there is evidently nothing to prevent these defaulters from resuming work at their own expense, doing only a little more work and possibly making a discovery, thus leaving the Government holding the bag for its investment in these contracts.

It is not clear to us why one type of action was taken for those two contracts, and entirely different actions taken in terminating DMEA-2873, Idm-E 562 (Empire Mica Co.) with royalty rights preserved, or in (rescinding DMEA-3099, Idm-E 609 (Mundy and Thomas) with demand for repayment) both of which were similar to those two except that DMEA-2873 was not abandoned.

Assume you cannot find an operator by "letter" and therefore to abandon.

RECEIVED
SEP - 2 1954
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

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

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

Docket Copy
Surname:
Houk
Martin
Matthews

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600 AUG 17 1954

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Zinnimon Mine
Mitchell County, North Carolina
Contract No. Idm-X444

Docket No. DMEA-2725 - Mica
Forest City Mining Company
Old Mauney Mine
Cleveland County, North Carolina
Contract No. Idm-X480

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

The termination agreement merely preserves the right to certify. It does not provide for repayment without certification. In this connection see DMEA Circular 33 and the alternative provisions 5 and 5' in form "Termination Agreement" attached to that circular. As we now know that these projects will not be certified because no discovery or development was made, there is no obligation on the part of anyone to repay the Government. Note

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (JHB)

Approved:

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

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

LGHouk:LGHouk:gad 8/16/54
Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

Docket Copy
Surname:
Houk
Rubin

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

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

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

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

Dear Mr. Laurence:

Reference is made to your memorandum of July 28, 1954, to the Operating Committee on clarification of the termination notices on the subject contracts.

Since no certification of discovery or development has been made on the subject properties, there is no lien on the property for repayment to the Government for its contribution to the exploration work.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

LGHouk:gad 8/6/54
Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5226
Mr. Houk (2)

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

Defense Minerals Administration
RECEIVED
JUL 30 1954

July 28, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-2646, Idm-E 444(mica) Robert Baker (Zinniman Mine) Mitchell County, N. C. and
DMEA-2725, Idm-E 480 (mica) Forest City Mining Company (Old Mauney Mine) Cleveland County, N. C.

Reference is made to the Notice of Termination on the subject contracts. In these terminations it is stated that "All rights of the Government with respect to Certification of discovery or development, percentage royalty, and lien for payment as provided in the contract, are preserved." We would like clarification on this statement. As no certification of discovery or development has been made, and none can be made as no ore was discovered, is the Government still entitled to a royalty on production should another Operator take over the property and produce mica?

Robert A. Laurence
Robert A. Laurence

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

Project Summary Report

By: Walter C. Anderson July 2, 1954

1. Docket No. DMEA-2646 - Mica
Contract No. Idm-E444
Zinniman Mine
Location: Snow Creek Twsp., Mitchell County, North Carolina

Operator: Robert Baker
Spruce Pine, North Carolina

Operator's property rights - Owner of surface (67 acres)
Lessee of mineral rights - lease dated July 16, 1952, for 2 years. Owner's Consent for mineral rights executed.

2. Contract - dated November 13, 1952.

Work authorized:

Remodel shaft - 46 ft. @ $20.00/ft.	$920.00
Deepen shaft - 59 ft. @ $50.00/ft.	2,950.00
100 ft. of drift @ $35.00/ft.	3,500.00
Estimated total cost	$7,370.00
Government participation @ 90%	$6,633.00

Amendments:
No. 1 - 4/27/53 - extends completion date from 6 mos. to 12 mos.

Work completed:

Remodelling shaft - 46 ft. @ $20.00/ft.	$920.00
Deepening shaft - 46 ft. @ $50.00/ft.	2,250.00
Total accepted cost	$3,170.00
Government participation @ 90%	$2,853.00

Work began on November 26, 1952, was abandoned by Operator and terminated for cause on March 1, 1954.
Field Team Final Report received March 25, 1954.
Operator's Final Report - none received.

3. Audit - certificate issued April 6, 1954.

Accepted cost	$3,170.00
Government participation	$2,853.00

4. Certification of Discovery - none issued.

5. Comments:

How conducted - poorly. Did not provide adequate pumping facilities; failed to pay expenses incurred including labor, therefor Operator was unable to secure labor. Abandoned project with 13 feet of shaft and 100 feet of drift of the contract undone.

Operation - poor.

Engineering - Reporting by Operator was very inadequate. Operator was missing about a year after abandonment, therefore, planning by the Government could not be accomplished.

Geological premise - The premise that the pegmatite would continue was substantiated as far as the project went, since the uncompleted shaft is in mica containing pegmatite.

Geological criteria upon which work was based:

1. Near vertical pegmatite 6 to 10 feet thick.
2. Ruby colored, hard, flat, clear mica.
3. Past production.

Criteria developed during project - Pegmatite containing some mica.

Future possibilities - Field Team reports that this deposit remains a good possibility for production of strategic mica.

Recommendation:

The Nonmetallic Minerals Division agrees with the field that not enough work was done to prove a discovery and recommends that because of the behaviour of the Operator, he never again should be considered for exploration assistance.

File Copy
Surname:

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

APR 15 1954

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

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

Dear Mr. Laurence:

Reference is made to your memorandum dated March 3, 1954, requesting copies of Notice of Termination.

Transmitted herewith are two copies of Notice of Termination for forwarding to the owners of the mineral rights, Mr. and Mrs. Brown McKinney, and Mr. and Mrs. M. C. Pitman. We understand Robert Baker is the owner of the surface rights.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Approved:

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

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

Enclosures 2

LGHouk:gad 4/13/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.B.

FILE COPY
SURNAME:

Brubin

240

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

N.S. in R.R.

April 1, 1954

Memorandum

To: Chief, Nonmetallic Minerals Division

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

Reference is made to the rough draft of a proposed letter for the signature of the Administrator to Mr. Robert Baker which you have submitted with a slip attached marked "Legal for approval." I am unable to approve the proposed letter.

The letter seems to indicate that in your mind there is some connection between the reservation of the Government's right to make a certification of discovery or development, and to the demand which you propose to make upon the operator for the repayment of the money which the Government has contributed. There is no connection whatever between these two. The docket indicates that the Government has no intention to and in fact could not make a certification of discovery or development; therefore, the right to make the certification is entirely without significance.

If demand is to be made upon the operator for repayment of money contributed, it can be made only on the ground of breach of the contract. As indicated in my memoranda to the Administrator dated February 16 and March 25, I think that the Government's action in terminating the contract under the provisions of the contract seriously jeopardized any right the Government may have had previously to rescind the contract for breach and to recover the money contributed. However, if it is your wish to make such a demand, I will frame a proper letter for this purpose, and if the money is not paid by the operator, will turn the account over to the General Accounting Office for collection. If the General Accounting Office feels that the termination of the contract

under the provisions thereof is not too great an obstacle to the recovery of the money contributed, it may wish to undertake the matter.

Unless we are to proceed against the operator for breach of contract, we are not concerned with whether the operator preserved its leasehold interest in the property as required by the provisions of the Exploration Project Contract.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachment

JLHofflund:ep

Copy to: Docket
Administrator
Mr. Hofflund
Mr. Rubin
Chron.

(Copy)

March 31, 1954

Mr. Robert Baker

Bakersville, North Carolina

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

Dear Mr. Baker:

Reference is made to the Notice of Termination of the subject contract, dated March 1, 1954, on the Zinniman Mine, Mitchell County, North Carolina.

Your failure to prosecute the operations pursuant to the terms of the contract resulted in the termination of this contract. The Government, however, reserved the rights to certification of discovery or development and to the percentage royalty on any production from the property and a lien for payment. The Government does hereby request and demand that the sum of $2,853.00 be remitted to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for repayment in full of your obligations incurred under the contract upon which you defaulted.

Please note Article 7 of your Contract which reads:

> "The Operator shall not make any voluntary or 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."

Mr. Brown McKinney stated in a letter dated January 5, 1954, that your lease had been voided by the owners, some months prior, for failure to operate for a ninety-day period, and that you and your wife assigned all of your interest in the lease to Mr. M. C. Pitman, one of the grantors. In the assignment of your interest in the lease to Mr. M. C. Pitman, did you preserve the Government's right to a percentage royalty on all production for a ten-year period? Please send this office a certified copy of the assignment.

Sincerely yours,

Administrator

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

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 31 1954

March 31, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646

Contract Number: Idm-E444

Applicant: Robert Baker

Name and Location of Property: Zinniman Mine
Mitchell County, North Carolina

Date of Final Field Team Report: March 22, 1954

Date Rec'd. by Ceramic & Fert. Mats. Branch: March 29, 1954

Field Team Recommendation:

1. Unless steps be taken to recover $2853 from the applicant, the Government's right to this amount in percentage royalties through November 13, 1962 should be preserved.

Comments:

1. Applicant did not fulfill the terms of the contract.

2. Little or no effort was made on this part to follow the suggestions made by the examiners.

3. Expenditures -

Total approved	$7,370
Total cost	3,170
Government share of cost	2,853
Value of production	None

Recommendation:

No certification of discovery or development.

W. F. Dietrich

W. F. Dietrich

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

April 1, 1954

Memorandum

To: Chief, Nonmetallic Minerals Division

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

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If demand is to be made upon the operator for repayment of money contributed, it can be made only on the ground of breach of the contract. As indicated in my memoranda to the Administrator dated February 16 and March 25, I think that the Government's action in terminating the contract under the provisions of the contract seriously jeopardized any right the Government may have had previously to rescind the contract for breach and to recover the money contributed. However, if it is your wish to make such a demand, I will frame a proper letter for this purpose, and if the money is not paid by the operator, will turn the account over to the General Accounting Office for collection. If the General Accounting Office feels that the termination of the contract

under the provisions thereof is not too great an obstacle to the recovery of the money contributed, it may wish to undertake the matter.

Unless we are to proceed against the operator for breach of contract, we are not concerned with whether the operator preserved its leasehold interest in the property as required by the provisions of the Exploration Project Contract.

J. L. Hofflund
Chief Counsel

Attachment

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 30 1954

March 29, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2646 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Robert Baker.
Name of property: Zinniman Mine.
Location of property: Mitchell County, North Carolina.
Date of field team report: March 11, 1954.
Authorship of field team report: K. H. Teague, D. H. Amos, and L. E. Shirley.
Field team's recommendation:

"Unless steps are taken to recover the $2,853 from Robert Baker, the Government's right to this amount in percentage royalties on any production through November 13, 1962 should be preserved."

Comments: Let's tie up this job so others in that area will not get the idea they can drop a project at will.

ACTION RECOMMENDED:

Follow field team's recommendation.

D. M. Larrabee

140 Com

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

March 25, 1954

Memorandum

To: The Administrator

Through: 1. L. G. Houk
2. F. E. Johnson

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

These two contracts were the subject of a memorandum from the Chief Counsel to the Administrator, dated February 16 which contains this paragraph:

> "Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose."

The notices of termination attached to the memorandum were executed by the Administrator under date of March 1, and presumably have been delivered to the Operators. These notices contain the statement that the Government ". . . hereby terminates the subject contract, <u>under the terms thereof</u> . . ." The notices themselves do not contain any demand for repayment of money, nor was any demand for repayment made contemporaneously with the notices.

NOTE: Copy of this memo sent Region VII 3/29/54.

It is my opinion, as indicated in the memorandum of February 16, that notice of termination under the provisions of the contract, should not be given if the Government considers the case a proper one for the recovery of money contributed. If a demand for the repayment of money is made, it is made only because the Government deems that it has a legal right to repayment, and if not thereafter paid, it would have to be referred to the General Accounting Office for collection.

Once a termination of the contract has been made under the provisions of the contract, without at the same time demanding repayment of money contributed, it is my opinion that any right that may have existed to demand and collect repayment is at least seriously jeopardized, and may provide the Operator with a good defense to any subsequent demand for repayment.

In a proper case for requiring repayment of money contributed, notice of termination should not be given under the provisions of the contract, but notice of rescission should be given for breach of the contract coupled with a demand for the repayment of money contributed.

J. L. Hoffland

J. L. Hoffland
Chief Counsel

FILE COPY
SURNAME:

140

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

N.S. in R.R.

March 25, 1954

Memorandum

To: The Administrator

Through: 1. L. G. Houk
2. F. E. Johnson

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

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J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund/emd

Copy to: Docket (2)
L. G. Houk(2)
F. E. Johnson
J. L. Hofflund
chron.

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

Department of the Interior
Defense Minerals Administration
RECEIVED
MAR 25 1954

March 22, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Report, DMEA-2646 , Idm-E 444 (mica) Zinniman Mine.
Robert Baker, Operator

Enclosed are four copies of the final report on the subject exploration contract, which was terminated on March 1, 1954 because of failure of the Operator to fulfill the contract.

Although we cannot report that a discovery has been made, there is a probability that someone else may complete the work and make a discovery of a commercial deposit of mica. Therefore, unless steps are taken to recover the $2,853 from Robert Baker, the Government's right to this amount in percentage royalties on any production through November 13, 1962 should be preserved.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
3-29-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 25 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
BY
FIELD TEAM, REGION VII

DMEA-2646, ZINNIMAN MINE (mica)
Mitchell County, N. C.

By

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

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

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

March 22, 1954

Reviewed by
DMEA OPERATING COMMITTEE
3-29-54
(date)

EXPLORATION PROJECT CONTRACT

FINAL REPORT

On
DMEA-2646 (mica) ZINNIMAN MINE
Contract Idm-E 444

Operator: Robert Baker, Bakersville, North Carolina

The Zinniman mica mine is near the crest of a low ridge 3.6 miles N. 40° W. of Spruce Pine and 1.6 miles due north of Penland, Mitchell County, North Carolina.

Previous interim reports and correspondence on the subject mine leaves little to report on the project. It is sufficient to say that the Operator abandoned the project after trimming the existing 46-foot shaft to 5' x 7' and sinking it to 93 feet. Pegmatite containing some mica occurs in the shaft from about the 51 to 93 foot level. At the 93-foot level the shaft is entirely in footwall, although the north side of the shaft is pegmatite. This deposit remains a good possibility for the production of strategic mica. The project began on November 26, 1952, and was terminated for cause on March 1, 1954.

Expenditures :

(a)	Total approved	$7,370.00
(b)	Total cost of project	3,170.00
(c)	Government's share of cost	2,853.00
(d)	Government's share unexpended	3,780.00
(e)	Value of production ---none	

The conduct of this project has been previously discussed. The Operator did not provide adequate pumping facilities nor did he pay all of the expenses incurred during the operation of the project. The reason he was unable to secure labor was that he did not pay the labor he had.

The examiners visited the mine on March 11, 1954. No work has been done at the shaft since the project was abandoned about one year ago; however, Mr. Baker, who has been missing all these months, was on the property at the time of our visit.

March 11, 1954.

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

L. E. Shirley, Mining Engineer, U. S. B. M.

z

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

WASHINGTON FIELD OFFICE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1954

March 8, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-~~2624,~~ 2646 Idm-E 444 (mica) Robert Baker, Operator
Zinniman Mine.

Much to my surprise, the registered letter to Robert Baker containing the termination notice of the subject exploration contract was delivered to him at Bakersville, N. C., and the return receipt, with Bakers's signature was received here today.

Robert A. Laurence

Robert A. Laurence

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

February 16, 1954

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining ~~Company~~

There are attached notices of termination for the subject contracts under the provisions thereof.

The facts of these two cases are very similar. Both contracts were on the short form, were for exploration for mica on leased ground and provided for 90% Government contribution toward total estimated costs approximating $7,300. In each case the Operator abandoned the operations after approximately one-third of the work had been performed, and appears to be in default under his lease. In one case the Operator cannot be located, and in the other case the Operator has ignored recent communications from the Field Team concerning continuation of the work.

Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts, and forms for your signature are attached for this purpose.

This memorandum and the proposed notices of termination are being routed through the Commodity Division for its approval.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

Attachments

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 5 - 1954

March 3, 1954

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: DMEA-2646, Idm-E 444 (mica) Termination of Contract. Zinniman Mine - Robert Baker, Operator

The termination notice, signed by Mr. Mittendorf, has been mailed to Mr. Baker. As all mail sent to him in the past 10 months has been returned unclaimed, we assume that this will come back, too. Latest rumors have placed Baker in Baltimore.

The Government's, Docket and Division copies are enclosed herewith. The usual distribution of the other copies has been made. Copies for the land owners were not received. Will you please have copies prepared and signed and sent to us, so that we may forward them to Mr. & Mrs. Brown McKinney and Mr. & Mrs. M. C. Pitman. The reason for asking for two copies is that one land-owner (Mr. Baker's father-in-law) failed to answer previous correspondence and apparently does not keep the other land owner informed.

Robert A. Laurence

Robert A. Laurence

File Copy
Surname:

Anderson
Hoe
Glassmeier
Selfridge
Stillman
Mitchell

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

MAR 1 1954

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

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

Dear Mr. Laurence:

Please find herewith the original and two copies of a Notice of Termination of subject exploration contract which have been signed by the Government.

If this Notice of Termination meets with your approval kindly make the proper distribution of copies.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

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

Enclosures 3

WCAnderson:gad 2/25/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.L. 3-2-54

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

February 16, 1954

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMEA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMEA-2725, Contract Idm-E480, Forest City Mining Company

There are attached notices of termination for the subject contracts under the provisions thereof.

The facts of these two cases are very similar. Both contracts were on the short form, were for exploration for mica on leased ground and provided for 90% Government contribution toward total estimated costs approximating $7,300. In each case the Operator abandoned the operations after approximately one-third of the work had been performed, and appears to be in default under his lease. In one case the Operator cannot be located, and in the other case the Operator has ignored recent communications from the Field Team concerning continuation of the work.

Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts, and forms for your signature are attached for this purpose.

This memorandum and the proposed notices of termination are being routed through the Commodity Division for its approval.

J. L. Hofflund
Chief Counsel

Attachments

FILE COPY
SURNAME:

140

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

N.S. in R.R.

Rubin

February 16, 1954

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMRA-2646, Contract Idm-E444, Robert Baker; and
Docket No. DMRA-2725, Contract Idm-E480, Forest City Mining Company

There are attached notices of termination for the subject contracts under the provisions thereof.

The facts of these two cases are very similar. Both contracts were on the short form, were for exploration for mica on leased ground and provided for 90% Government contribution toward total estimated costs approximating $7,300. In each case the Operator abandoned the operations after approximately one-third of the work had been performed, and appears to be in default under his lease. In one case the Operator cannot be located, and in the other case the Operator has ignored recent communications from the Field Team concerning continuation of the work.

Apparently, the Operators do not think that there is much chance of making a discovery that will result in commercial production, and are unwilling or unable to proceed. Of course, the more work that is done the more the Government must contribute, and as these contracts are under the old regulations, the Government contributes 90% of the costs. It would be possible, if the Operators can be found, to prosecute a claim against them for default under these contracts. However, in view of all of the circumstances, it seems to me that it would be better policy simply to terminate the contracts and forms for your signature are attached for this purpose.

This memorandum and the proposed notices of termination are being routed through the Commodity Division for its approval.

n/JLHofflund/emd
: Docket (2)
L.G.Houk (2)
J.L.Hofflund
H.C.Rubin
Attachments
chron.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

913

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

January 8, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Executive Officer, DMEA - Region 7

Subject: DMEA-26~~24~~46, Idm-E 444 (mica) Zinniman Mine; Robert Baker, Opr.

Enclosed are 4 copies of a letter received from Brown McKinney, one of the owners of the Zinniman Mine. No answer was received from Mr. M. C. Pitman, the other lessor.

It is obvious now that Baker has abandoned the operation. His lease is apparently void because no work was done for more than 90 days.

We still have no idea where Baker is, but suggest that action be taken to locate him and recover $2,853.00 paid to him.

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.

January 8, 1954

Mr. Brown McKinney

Bakersville, North Carolina

Re: DMEA-2646, Idm-E 444 (mica)
Zinniman Mine; Robert Baker, Opr.

Dear Mr. McKinney:

Thank you for your letter of January 5, concerning the status of the lease to Robert Baker. It would appear that the lease is void and that you can lease the property to others if you wish.

The Government has paid 90% of the cost of the shaft sunk by Mr. Baker, and abandoned by him before reaching its objective. I am referring your letter to our Legal Division for an opinion as to the status of the lease and the contract, and will advise you when I receive their answer.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region 7

RAL/am
cc:
Beck
Lynch
Finance Office
Files

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NORTH CAROLINA GENERAL ASSEMBLY
House of Representatives

Bakersville, N. C.
January 5th, 1954

Mr. Robert A. Laurence, Exec. Officer
D. M. E. A.
Knoxville, Tennessee

Re: DMEA-2646, Idm-E 444 (mica)
Zinniman Mine, Robert Baker

Dear Mr. Laurence:

Reference is made to your letter of December 24th, in regard to the above captioned subject matter and in reply thereto beg to advise that under the terms and conditions of the lease granted to Robert Baker on July 16th, 1952, provided that if the mine was no operated for a period of ninety days that the lease was void, however some months ago Robert Baker and wife made and assignment of all his interest in the lease to M. C. Pitman, one of the grantors.

I would like to know just what the status of this mining property is at this time, we have some individuals that want to lease and work the mine.

Robert Baker was in Baltimore, Md., at the time he made the assignment, at this time I do not know where he is.

Very truly,

s/
Brown McKinney

Copied SIC by
zm. 1-8-54.

cc:
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Lynch
Finance Office
Beck
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NORTH CAROLINA GENERAL ASSEMBLY
House of Representatives

Bakersville, N. C.
January 5th, 1954

Mr. Robert A. Laurence, Exec. Officer
D. M. E. A.
Knoxville, Tennessee

Re: DMEA-2646, Idm-E 444 (mica)
Zinniman Mine, Robert Baker

Dear Mr. Laurence:

Reference is made to your letter of December 24th, in regard to the above captioned subject matter and in reply thereto beg to advise that under the terms and conditions of the lease granted to Robert Baker on July 16th, 1952, provided that if the mine was no operated for a period of ninety days that the lease was void, however some months ago Robert Baker and wife made and assignment of all his interest in the lease to M. C. Pitman, one of the grantors.

I would like to know just what the status of this mining property is at this time, we have some individuals that want to lease and work the mine.

Robert Baker was in Baltimore, Md., at the time he made the assignment, at this time I do not know where he is.

Very truly,

s/
Brown McKinney

Copied SIC by
zm. 1-8-54.

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NORTH CAROLINA GENERAL ASSEMBLY
House of Representatives

Bakersville, N. C.
January 5th, 1954

Mr. Robert A. Laurence, Exec. Officer
D. M. E. A.
Knoxville, Tennessee

Re: DMEA-2646, Idm-E 444 (mica)
Zinniman Mine, Robert Baker

Dear Mr. Laurence:

Reference is made to your letter of December 24th, in regard to the above captioned subject matter and in reply thereto beg to advise that under the terms and conditions of the lease granted to Robert Baker on July 16th, 1952, provided that if the mine was no operated for a period of ninety days that the lease was void, however some months ago Robert Baker and wife made and assignment of all his interest in the lease to M. C. Pitman, one of the grantors.

I would like to know just what the status of this mining property is at this time, we have some individuals that want to lease and work the mine.

Robert Baker was in Baltimore, Md., at the time he made the assignment, at this time I do not know where he is.

Very truly,

s/
Brown McKinney

Copied SIC by
zm. 1-8-54.

cc:
Opr. Com. -4
Lynch
Finance Office
Beck
Files

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NORTH CAROLINA GENERAL ASSEMBLY
House of Representatives

Bakersville, N. C.
January 5th, 1954

Mr. Robert A. Laurence, Exec. Officer
D. M. E. A.
Knoxville, Tennessee

Re: DMEA-2646, Idm-E 444 (mica)
Zinniman Mine, Robert Baker

Dear Mr. Laurence:

Reference is made to your letter of December 24th, in regard to the above captioned subject matter and in reply thereto beg to advise that under the terms and conditions of the lease granted to Robert Baker on July 16th, 1952, provided that if the mine was no operated for a period of ninety days that the lease was void, however some months ago Robert Baker and wife made and assignment of all his interest in the lease to M. C. Pitman, one of the grantors.

I would like to know just what the status of this mining property is at this time, we have some individuals that want to lease and work the mine.

Robert Baker was in Baltimore, Md., at the time he made the assignment, at this time I do not know where he is.

Very truly,

s/
Brown McKinney

Copied SIC by
zm. 1-8-54.

cc:
Opr. Com. -ly
Lynch
Finance Office
Back
Files

CC: Laurence
Beck-Lynch
Opr. Com-2
Finance Office

December 10, 1953

Mr. M. C. Pitman

Toecane, North Carolina

Subject: Docket No. DMEA-2646 (mica)
Robert Baker
Zinniman Mine
Mitchell Count, N. C.
Contract Idm-I 444

Dear Mr. Pitman:

On July 15, 1953, you and your wife, Deptie Pitman, Brown McKinney and his wife, Frances McKinney, leased to Robert Baker the mineral rights in property containing the Zinniman Mine, which Mr. Baker agreed to explore under the terms of the subject contract with the Government. However, Mr. Baker appears to have abandoned the project before completion. Since the time for performance of the contract has now passed, Mr. Baker is now in default. We have been unable to obtain any information from him because he has gone away and all efforts to locate him have failed. Will you please advise us whether Mr. Baker has surrendered to you his lease to the mineral rights in the subject property.

Sincerely yours,

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

RAL/am

140

FILE COPY
SURNAME:

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

DEC 8 - 1953

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

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

Dear Mr. Laurence:

There is enclosed a draft of a letter for your signature to Mr. M. C. Pitman, inquiring as to whether Mr. Robert Baker has surrendered to him his lease to the mineral rights in the subject property.

It will be necessary for you to ascertain Mr. Pitman's correct address, inasmuch as it is not shown in our records.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

AEKane/ema 12-7-53

Enclosure

Copy to: Docket
Adm. R. File
Op. Comm.
~~Field Team, Region VII~~
L. G. Houk
A. E. Kane
J. L. Hofflund
Chron.
Pending

R.C.G.
12-8-53

DRAFT

Mr. M. C. Pitman

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

Dear Mr. Pitman:

On July 15, 1952, you and your wife, Deptie Pitman, Brown McKinney and his wife, Frances McKinney, leased to Robert Baker the mineral rights in property containing the Zinniman Mine, which Mr. Baker agreed to explore under the terms of the subject contract with the Government. However, Mr. Baker appears to have abandoned the project before completion. Since the time for performance of the contract has now passed, Mr. Baker is now in default. We have been unable to obtain any information from him because he has gone away and all efforts to locate him have failed. Will you please advise us whether Mr. Baker has surrendered to you his lease to the mineral rights in the subject property.

Sincerely yours,

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

FILE COPY
SURNAME:

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

140

December 4, 1953

Memorandum

To: Chief, Nonmetallic Minerals Division

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

Reference is made to your memorandum to the Administrator dated October 21, 1953, which was routed through my office.

I have drafted a letter to the Comptroller General and also a memorandum to the Administrator in this matter, but I am retaining them in my files since I do not think that I should send either this memorandum or the letter until you have first ascertained whether or not the Operator surrendered his lease to the owner.

When you have ascertained this fact, please advise me, and I will proceed accordingly.

Albert E. Kane

for J. L. Hofflund
Chief Counsel

AEKane/ema
cc: Docket
A. E. Kane
J. L. Hofflund
Chron.

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

December 4, 1953

Memorandum

To: Chief, Nonmetallic Minerals Division

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

Reference is made to your memorandum to the Administrator dated October 21, 1953, which was routed through my office.

I have drafted a letter to the Comptroller General and also a memorandum to the Administrator in this matter, but I am retaining them in my files since I do not think that I should send either this memorandum or the letter until you have first ascertained whether or not the Operator surrendered his lease to the owner.

When you have ascertained this fact, please advise me, and I will proceed accordingly.

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

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
NOV 25 1953

November 23, 1953

Memorandum

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

From: Field Team, Region VII

Subject: Default of Contract
DMEA-2646, Idm-E 444 (Mica)
Zinniman Mine - Robert Baker, Operator

The subject exploration contract, as amended, expired on November 13. No work has been done since March 1953. The shaft was sunk to 93 feet when abandoned. This leaves 12 feet of shaft-sinking and 100 feet of lateral work to complete the contract.

We have repeatedly written the Operator, at three different addresses, and all our letters are returned by the Post Office. It is obvious that Mr. Baker has no intention of completing this work.

Permission is requested to terminate the contract because of default. We recommend strongly that a diligent effort be made to locate Mr. Baker, and recover the $2,853.00 paid to him, calling on the Department of Justice for assistance if necessary.

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

EXECUTIVE OFFICER
DMEA REG ON VII

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Defense Minerals Administration
RECEIVED
NOV 18 1953

November 16, 1953

Mr. Robert Baker
635 N. Garnett Street
Henderson, North Carolina

Re: DMEA-2646, Idm-E 444 (Mica)
Zinniman Mine

Dear Mr. Baker:

Under the subject exploration contract, as amended April 27, 1953, work at the Zinniman mine should have been completed by November 13, 1953. However, no work has been done since last spring and we have had no word from you indicating when work is to be resumed.

Please advise this office at once when work can be resumed so that an amendment can be prepared. Otherwise we will have to consider the contract in default.

Very truly yours,

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

RAL/mg

cc
Operating Committee
Beck
Lynch
files
Mr. Baker, Route 1, Box 109, Toecane, N.C.

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

600

October 21, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

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

Reference is made to the Chief Counsels memorandum dated October 9, 1953, which was in response to our memorandum dated October 7, 1953, concerning the Operator's failure to complete the subject contract.

After careful consideration of all the facts at hand, we have arrived at the conclusion that there was no justification for the Operator discontinuing the work and that it would have been beneficial to the Government if he had completed it, as the target has not been reached.

We, therefore, recommend that the Government's contribution of $2,853.00 be recovered by legal action.

W. C. Anderson

W. C. Anderson
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Anderson
Lawrence G. Houk

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

October 21, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

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

Reference is made to the Chief Counsels memorandum dated October 9, 1953, which was in response to our memorandum dated October 7, 1953, concerning the Operator's failure to complete the subject contract.

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We, therefore, recommend that the Government's contribution of $2,853.00 be recovered by legal action.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad 10/21/53
Copy to: Admr. R. File
Docket File
Mr. Houk

HHH 12-9-53

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

October 9, 1953

Memorandum

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

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

The subject contract has been referred to this office by memorandum dated October 7, W. C. Anderson, Nonmetallic Minerals Division, to the Chief Counsel, which refers to a memorandum dated September 21 from the Field Team, Region VII, to the Operating Committee. The contract, dated November 13, 1952, is on the short form, is for mica, in the sum of $7,370, Government participation $6,633. It appears from the correspondence that the Operator discontinued work; the completion date was extended to November 13, 1953; the Government's contribution up to the time of discontinuance amounts to $2,853; the work has not been resumed; the Operator apparently has abandoned the work, cannot be located, and his mailing address is unknown.

The Field Team recommends that the contract be terminated and proceedings instituted to collect from the Operator the amount that the Government has contributed. At the same time, the Field Team comments: "It will do no good to send him a 'mutual agreement' termination notice as we have no address for him."

The quoted comment from the Field Team seems to indicate that if the Operator could be located they would be willing to enter into a termination of the contract by mutual agreement. Such a termination, presumably, would not involve the repayment of money to the Government. If the Field Team would be willing to terminate by agreement without return of the money, I do not know why it would not be well, likewise, to terminate the contract for default of the Operator without requiring return of the Government's contribution.

Whether the Government should endeavor to recover its contribution in cases of default by the Operator depends upon the facts in each case. Presumably, if an Operator abandons the project, he does not think there is much prospect of making a discovery. In many cases, the Government is quite as willing to abandon the project before completion as is the Operator. Return of the Government's contribution should be sought only in cases where there is no justification for the discontinuance of the work, and the Government believes that it would be beneficial to prosecute it to completion and to spend the money necessary to do so.

This office does not have before it the facts necessary to make such a determination, and it is of course an administrative matter anyhow. If you determine that this is a case for terminating the contract without recovery from the Operator, the file should simply be closed with a note in the file to that effect. If you determine that an attempt should be made to recover from the Operator, please so advise this office, and we will prepare a submission to the Comptroller General for your signature.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

140

FILE COPY
SURNAME

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

October 9, 1953

Memorandum

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

From: Chief Counsel

Subject: Robert Baker, Docket No. DMEA-2646 (Mica)
Contract Idm-E444

The subject contract has been referred to this office by memorandum dated October 7, W. C. Anderson, Nonmetallic Minerals Division, to the Chief Counsel, which refers to a memorandum dated September 21 from the Field Team, Region VII, to the Operating Committee. The contract, dated November 13, 1952, is on the short form, is for mica, in the sum of $7,370, Government participation $6,633. It appears from the correspondence that the Operator discontinued work; the completion date was extended to November 13, 1953; the Government's contribution up to the time of discontinuance amounts to $2,853; the work has not been resumed; the Operator apparently has abandoned the work, cannot be located, and his mailing address is unknown.

The Field Team recommends that the contract be terminated and proceedings instituted to collect from the Operator the amount that the Government has contributed. At the same time, the Field Team comments: "It will do no good to send him a 'mutual agreement' termination notice as we have no address for him."

The quoted comment from the Field Team seems to indicate that if the Operator could be located they would be willing to enter into a termination of the contract by mutual agreement. Such a termination, presumably, would not involve the repayment of money to the Government. If the Field Team would be willing to terminate by agreement without return of the money, I do not know why it would not be well, likewise, to terminate the contract for default of the Operator without requiring return of the Government's contribution.

Whether the Government should endeavor to recover its contribution in cases of default by the Operator depends upon the facts in each case. Presumably, if an Operator abandons the project, he does not think there is much prospect of making a discovery. In many cases, the Government is quite as willing to abandon the project before completion as is the Operator. Return of the Government's contribution should be sought only in cases where there is no justification for the discontinuance of the work, and the Government believes that it would be beneficial to prosecute it to completion and to spend the money necessary to do so.

This office does not have before it the facts necessary to make such a determination, and it is of course an administrative matter anyhow. If you determine that this is a case for terminating the contract without recovery from the Operator, the file should simply be closed with a note in the file to that effect. If you determine that an attempt should be made to recover from the Operator, please so advise this office, and we will prepare a submission to the Comptroller General for your signature.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

JLHofflund:ep

Copy to: Mails & Files
Admr. Reading File
Mr. Houk
Mr. Anderson
(Prepared for Reg. VII—2)
Mr. Hofflund
Mr. Kane
Chron.

FILE COPY
SURNAME:

Anderson

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

600

October 7, 1953

NSin RR

Memorandum

To: Chief Counsel

From: Nonmetallic Minerals Division

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

Transmitted herewith is the subject docket and our Division file for your reference in reviewing the status of the contract.

You will note in the correspondence that Mr. Robert Baker has disappeared before completing the contract and efforts by Region VII Field Team to locate him have failed.

We are referring this matter to your office for determination of the proper course of action.

W. C. Anderson
Nonmetallic Minerals Division

Attachments 2

WCAnderson:gad 10/7/53
Copy to: Admr. R. File
Docket File
Mr. Houk

10-7-53

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

RECEIVED SEP 23 1953

September 21, 1953

Memorandum

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

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

Subject: DMEA-2646, Idm-E 444, Robert Baker, Operator, Zinniman Mine (mica)

On September 15, 1953 we sent a registered letter to Mr. Baker, reminding him that less than two months remain in which to complete the subject exploration contract. Today the letter was returned marked "moved, left no address."

We have heard that Mr. Baker is now working in Gastonia, N. C. A letter sent to Gastonia also was returned by the Post Office.

Mr. Baker simply abandoned this job last February after having been paid for all work done up to that time. He did not notify us then, but later signed an amendment extending the completion date to November 13. Since then, all efforts to contact him have failed. Mr. Teague and Mr. Shirley report that no work has been done at the mine since February.

It is obvious that Mr. Baker has no intention of completing this project. It is our opinion the contract should be terminated and he should be required to return the $2,853.00 which the Government paid him for work done. Of course, it will be necessary to locate him in order to do that. It will do no good to send him a "mutual Agreement" termination notice as we have no address for him.

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

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

140

FILE COPY
SURNAME:

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

JUL 9 1953

AEKane
Ontin
Hody
Fuller
Selfridge
Hoffman
Whitney

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

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

Dear Mr. Laurence:

Reference is made to your memorandum of June 29 in the above-entitled matter. This contract was executed on November 13, 1952, and the project was to be brought to completion in six months. Subsequently, on April 27, 1953, the time for completion was extended six months to November 13, 1953. It appears that the Operator worked for approximately three months and now there remains only about 11 feet of a shaft to be sunk and 100 feet of drifting to be done. Since this work could be done in about two months, and according to the contract the time for completion is four months away, it seems somewhat premature at this time to demand repayment of the Government's contribution and to cause suit to be instituted therefor, as has been suggested.

The fact that on June 23 a registered letter to the Operator was returned marked "Moved. Left no address." does not prove that the Operator has no intention of completing the contract. If by September 11, the Operator has not resumed operations, then it is suggested that this matter be again called to our attention for such action as then may be decided upon.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines (JB)

A. R. Kinkel, Jr.

Member, Geological Survey (JB)

AEKane/ema/7-7-53 (JB)

cc: Mails & Files
Adm. R. File
Op. Comm.
Mr. Thayer
Mr. Hedges
L.G.Houk
J.L.Hofflund
A.E.Kane
Chron. Pending

R.C.L. 7-9-53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL - 1 1953

June 29, 1953

Memorandum

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

From: Field Team, DMEA, Region VII

Subject: DMEA-2646, Idm-E-444 (Mica)
Zinniman Mine; Robert Baker, Operator

No work has been done at this project since March 27, 1953. Three vouchers, totalling $2,853.00 have been paid for work done in December, January and February. The shaft has been sunk only 1.5 feet beyond the depth paid for in the last of these vouchers, and the shaft has filled at least that much in the past 3 months of inactivity.

On April 27, Baker signed a time amendment, extending the completion date to November 11, 1953, and promised to resume operations at an early date. On June 23, we sent him a registered letter, asking when he intended to resume. This letter has just been returned to us, marked "Moved. Left no address."

It appears that Baker has no intention of completing the contract. This would appear to be a case in which repayment of the $2,853.00 should be demanded, providing, of course, that Baker can be located.

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

RECEIVED
JUL - 6 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM J3, POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

June 23, 1953

Mr. Robert Baker
Route # 1 - Box 109
Toe Cane, North Carolina

Re: DMEA-2646, Idm E 444 (mica)
Zinniman Mine

Dear Mr. Baker:

On May 4, 1953 this office received a letter from you stating that you planned to resume operations at the Zinniman mica mine as soon as labor was available and that the project would be completed within the specified time (Nov. 13, 1953). Since work was suspended, DMEA has executed six contracts in the Mitchell-Yancey County area, and the Operators on these new projects have had no difficulty in securing competent miners. Therefore, this office feels that you too could secure adequate labor.

At one time Mr. Ernest Johnson contacted Mr. Teague and Mr. Shirley regarding his taking over, by sub-contract with you, and completing the project. Should you desire to contract the work to a subcontractor, it will be necessary to have a statement from you granting authority to this office to make the checks payable directly to the sub-contractor. This could be authorized by letter. However, by having the work completed by a sub-contractor, you will not be relieved of the responsibility of the contract, as pointed out in Mr. Beck's letter of April 28, 1953 which states :

"This contract, signed by you, is a firm contract to complete a project. A suspension of operations for whatever cause, with no intention of resuming them within a time and in a manner to permit completion of the work within the time fixed by the contract, is a breach of contract. Such a suspension is a default on your part, and justifies the Government in making no further contributions to the costs of operations including work already performed. If the default continues, the Government could demand repayment of all contributions previously made."

"Please give this your immediate attention and advise this office when you expect to resume operations."

Very truly yours,

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

RHT/sm
cc: Opr. Com.
Back-Index

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

May 11, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division SAF

Subject: Review of Amendment No. 1 - Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina

Purpose: To amend Article 3 of the contract to allow 12 months instead of 6 months for completion of the work.

Justification: Inadequate pumping facilities have made progress slower than anticipated.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the amendment as executed in the field April 27, 1953.

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

FILE COPY
SURNAME:

Feitler
Houk

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

May 11, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Review of Amendment No. 1 - Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina

Purpose: To amend Article 3 of the contract to allow 12 months instead of 6 months for completion of the work.

Justification: Inadequate pumping facilities have made progress slower than anticipated.

Recommendation: The Nonmetallic Minerals Division concurs with the Field Team and recommends approval of the amendment as executed in the field April 27, 1953.

Stanley A. Feitler
Nonmetallic Minerals Division

SAFeitler:gad 5/11/53

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

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

May 4, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 6 1953

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Signed Amendment No. 1 on the following: DMEA-2610, Dixie Minerals and DMEA-2646, Robt. Baker

Transmitted herewith are 4 signed copies each of the above subject amendments.

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

Robert A. Laurence
Robert A. Laurence

RECEIVED
MAY 18 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Case 5/6

INTERIM REPORT

DMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 airline miles N 40° W of Spruce Pine, Mitchell County, North Carolina, 1.6 airline miles due north of Penland and 0.57 miles due south of Bear Creek Church.

No work has been accomplished on this project since March 27, 1953. The Field Examiners have not been able to contact the operator either at residence or mine during last two consecutive visits. Measurements indicate that the shaft has raveled slightly and filled about 1 additional foot since April 7, 1953. A letter from the operator dated April 6, 1953 indicated that work could not be continued because labor was not available to work this mine. It is the Field Examiners' opinion that a breach of contract has been made and steps should be taken to either force the operator to complete the project, or recover money which has been expended.

D. M. Larrabee, Commodity Specialist, U. S. Geological Survey, accompanied the 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 21, 1953

INTERIM REPORT

IMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, North Carolina.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, Mitchell County, North Carolina. 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church.

Shaft sinking has been halted temporarily on this project, no work having been accomplished since last visit on March 27. A total measured depth of 89 feet indicated that some raveling had occurred during this period, losing about 4 feet of shaft work already accomplished. Operator contends that it is impossible for him to hire miners who will work under present conditions, but the Field Examiners believe that if the operator will procure a pump and keep the water down, no particular problems will be involved concerning labor or further shaft sinking.

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 7, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 8 1953

INTERIM REPORT

DMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, Mitchell County, North Carolina, 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church.

Shaft sinking on this project continues and is now at 93 feet, an advance of 1.5 feet since the last Interim Report of March 1, 1953. Due to heavy rains in the area the shaft has been drawing several feet of water, which has necessitated time losses because offailure on the operators part to secure a pump. Operator was advised to procure a pump immediately. Some pegmatite material is reported in the bottom.

Mr. W. A. Beck, a member of the Field Team, 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

March 27, 1953

Department of the Interior
Defense Minerals Administration
MAR 26 1953

INTERIM REPORT

DMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, North Carolina, 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, N. C.

Shaft sinking on this project has advanced to 91.5 feet. The soft material zone referred to in report of February 27, 1953 has been passed and hard material picked up again. This section was cribbed and back filled in places where raveling occurred. The presence of water has hampered recent progress. The operator plans to have a power line run to the mine and obtain an electric power pump to alleviate water conditions. Procurement of an air pump with present compressor setup was not advisable. 13.5 feet of shaft remains to be sunk under contract.

L. E. Shirley

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

March 9, 1953

1 1953

INTERIM REPORT

DMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, N. C., 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, N. C.

Shaft sinking continues on this project and is now down to 88 feet. Only 17 feet of shaft remains to be sunk under the contract, at which time drifting will begin. A mica zone was picked up at 72' which was about 3 feet wide and extended to the 78' mark in the shaft. All of the mica recovered contained flat "A" structure and much of it was green in color. Operator reported that about 4 feet of water was in the shaft when work began on the day of this visit. An air sump pump is being obtained. Material is essentially the same as that reported February 9, 1953 with increased amounts of kaolinized feldspar. Material in the bottom has been getting progressively softer with depth and cribbing is necessary. Operator plans to crib the shaft solid until he passes through this weathered section.

L. E. Shirley

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

K. H. Teague

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

February 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 4 1953

INTERIM REPORT

DMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, 1.6 miles airline due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, N. C.

Shaft sinking has advanced 8 feet since January 30 report and is now at 69 feet. Material is principally pegmatite consisting of quartz and kaolinized feldspar. Some mica has been recovered from last few feet of shaft sinking, but it is non-ruby and although other characteristics are good, it is not of strategic grade. The mine was not in operation on day of visit because of labor difficulties.

L. E. Shirley

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

K. H. Teague

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

February 9, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 11 1953

INTERIM REPORT

DMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, General Delivery, Spruce Pine, N. C.

LOCATION: 3.6 miles airline N 40° W of Spruce Pine, 1.6 airline miles due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, North Carolina.

Progress on this project is satisfactory. The "Baker Shaft" has been trimmed to 5' x 7' in cross-section, making a two compartment separate manway with staggered ladders where timbered. Existing shaft is down to 61'. It has been cribbed with 2" x 6" oak timber to a depth of 49'. No timber has been required from the 49' depth. A barren pegmatite zone was picked up at 51', which consisted of weathered feldspar and quartz. No mica was recovered and shaft sinking continues in pegmatitic material and country rock. Approximately 47' of shaft remains to be sunk.

A safety inspection visit was made to this mine on January 14, 1953. Several suggestions made by the Safety Engineer have been corrected. Operators monthly reports are satisfactory and efficiency of operation is good.

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 30, 1953

Omer 2646

February 2, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 4 1953

BW.

Mr. Robert Baker,
Zinnerman Mine
c/o General Delivery
Spruce Pine, North Carolina

Dear Mr. Baker:

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

Very truly yours,

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

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

mcm

SAFETY INSPECTION REPORT
ZINNEMAN MINE (MICA)
(NEAR) PENLAND, MITCHELL COUNTY, NORTH CAROLINA

January 14, 1953

By

Roy G. Stott
Mining Health and Safety Engineer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SAFETY INSPECTION REPORT
ZINNEMAN MINE (MICA)
(NEAR) PENLAND, MITCHELL COUNTY, NORTH CAROLINA

January 14, 1953

by

Roy G. Stott
Mining Health and Safety Engineer

INTRODUCTION

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

GENERAL INFORMATION

The Zinneman mine is owned and operated by Robert Baker of Toccane, North Carolina. A prospect loan has been granted by the D. M. E. A. under Docket No. 2646, Contract Idm E-444.

The mine is located 3.6 airline miles N40°W of Spruce Pine, 1.6 airline miles due north of Penland and 0.57 miles due south of Deer Creek church in Mitchell County, North Carolina.

The prospect contract is for remodeling the existing Baker Shaft to a 5-foot by 7-foot cross-sectional area inside the timbers to the bottom then sink the shaft to a vertical depth of 105 feet. From the shaft bottom an exploratory drift shall be driven 100 feet N30°E along the strike of the vein. The dip of the vein is unknown but assumed to be vertical. The pegmatite vein is not exposed on the surface.

At the time of the inspection the shaft had been rehabilitated and timbered to a depth of 49 feet or to the former bottom. The shaft was cribbed with 4-inch by 8-inch oak timber and partitioned into two compartments; a 5-foot by 5-foot hoisting compartment and a 2-foot by 5-foot ladderway. The partition wall is of solid 4-inch thick oak and ladders were installed vertically between landings spaced 10 feet apart. The ladders were accessible from the bottom.

No blower-type ventilation is planned. An old Ingersoll-Rand used gasoline engine-powered 105 cfm portable air compressor is provided for drilling and for ventilation.

A stiff leg jib-boom derrick is used over the shaft for supporting the hoisting sheave. A small gasoline engine-powered derrick hoist is used for hoisting a 900-lb capacity sinking bucket.

The shaft bottom was found ready for sinking and the 4-man crew was getting the surface equipment ready for sinking. No dynamite magazine or blasting supplies have been procured.

There were 4 men employed at the mine. No one wore hard hats.

SAFETY RECOMMENDATIONS

1. A headframe should be erected and equipped with a sheave (at least 18-inch diameter) to replace the stiff leg derrick now in use.

2. A 42-inch high railing should be installed around the shaft opening.

3. Shaft guides should be installed and a cross-head used in aligning the bucket while hoisting.

Note: The "Rules and Regulations Governing Mining Industry" by the North Carolina State Department of Labor reads as follows (Ref. Part II - General Safety Recommendations, pages 17 and 18):

"III. "Hoisting requirements in shafts being sunk: Shafts that are being sunk shall be equipped with guides to prevent the bucket from swinging while ascending or descending. Such guides shall be maintained at a distance of not more than 75 feet from the bottom of the shaft until it has been completed. This requirement shall not apply to shafts 100 feet or less in depth. Hoisting by bucket shall not be done in shafts of a greater depth than 200 feet. All material elevated from shafts as they are being sunk shall not be raised except in a bucket or on a cage, and such bucket or cage must be connected to the cable or chain by a safety hook or clevis or other approved attachment."

4. At least 4 clamps and a drop-forged-type thimble should be used on the bucket hook attachment. The clamps should be spaced 3-inches apart on the 1/2-inch cable and placed with the "U" on the dead or "loose" end of the cable.

5. The open-type bucket cable hook should be replaced by one having a safety clip.

6. Until a headframe is erected the 30-foot boom should have a limit brace installed on the uphill side to prevent the boom from becoming mis-aligned by swinging while hoisting. Furthermore, each guy wire should be fastened by at least 3 clamps on each end.

7. The soft metal stove bolt pin used on the boom sheave block should be replaced by a hardened type steel pin.

8. The shaft ladders should be inclined and staggered from landing to landing. These ladders should extend 36 inches above each landing. Note: The vertical ladders now in service are not only difficult to climb but do not have adequate toe clearance (should be at least 6-1/2-inches between rung and wall according to State Law).

9. Miners should be required to wear hard hats.

MISCELLANEOUS

Robert Baker, mine owner, was not present during the inspection, however, the general safety recommendations made were discussed with him at the White Swan Restaurant the following morning. He was informed he would get a copy of this safety report.

ACKNOWLEDGMENT

The cooperation of the management and employees during the conduction of this inspection is gratefully acknowledged.

Respectfully submitted,

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

2646

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 31 1952

INTERIM REPORT

IMEA-2646 Idm-E444 (mica) ZINNIMAN MINE

OPERATOR: Robert Baker, R.F.D. # 1, Box 109, Toe Cane, N. C.

LOCATION: 3.6 airline miles N 40° W of Spruce Pine, 1.6 airline miles due north of Penland and 0.57 miles due south of Bear Creek Church in Mitchell County, North Carolina.

Operator was not at project at time of visit and was contacted at his residence. Project began on November 26, 1952. The 46 foot circular shaft has been trimmed to 5 x 7 feet and cribbed for 17 feet. The operator has an air compressor and gasoline hoist at mine site. Progress on this project has been good, Considering time lost due to bad weather and time consumed in getting set up to start actual shaft work.

L. E. Shirley

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

December 19, 1952

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1952

November 24, 1952

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Signed Contracts-DMEA-2646, Idn-E444 (Mica) Robert Baker

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

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

Case 11-26

FILE COPY
SURNAME:

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

600

NOV 13 1952

Hearne
Houk
Carson
Talbert

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

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

Dear Mr. Laurence:

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

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

After signing of the contract, one copy is to be given to the operator, one copy retained for your files, one copy for the Field Team, 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.

J.H.
11-13-52

Sincerely yours,

Frank H. Johnson
(GB)

Chairman, Operating Committee

Approved:

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

E. J. McKnight (GB)
Member, Geological Survey

LFHearne:gad 11/7/52
Copy to: Adm. R. File
Docket File
Operating Committee (2)
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 7

P.S. Please explain to the operator that this is a firm contract and that he is obligated under the terms of the contract to complete the work outlined.

Exhibit "A"

Description of the Work

At the location marked "Proposed Shaft" on the sketch entitled "Sketch of Plan, Zinnman Mine, Mitchell Co., N.C., 8/7/52, DMEA-2646.", attached hereto and made a part hereof, ~~square~~ remodel the existing "Baker Shaft" to 5 feet by 7 feet in the clear to its bottom and sink to a vertical depth of 100 feet below its collar. Drive a drift 5 feet ~~by seven~~ 7 feet in cross-section from the bottom of the aforementioned shaft for a length of not more than 100 feet.

Costs of the Project.

~~Squaring~~ Remodeling shaft 46 ft. @ $20.00/ft	$ 920.00
Sinking shaft 59 ft. @ $50.00/ft	2,950.00
*100 ft. of drift @ $35.00/ft.	*3,500.00
Total estimated cost	$ 7,370.00
Governments share @ 90%	$ 6,633.00

FILE COPY
SURNAME:

Hearne
Houk

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

November 7, 1952

Memorandum

To: Chairman, Operating Committee

From: Nonmetallic Minerals Division

Subject: Review of Docket No. DMEA-2646 - Mica
Robert Baker
Zinniman Mine
Mitchell County, North Carolina

8/11/52 Received application dated August 1, 1952.
8/19/52 Memo from U.S.B.M. requests more information.
9/3/52 Memo from U.S.B.M. recommends field examination.
9/10/52 Memo from U.S.G.S. recommends field examination if mica samples are strategic.
9/15/52 Referred to Region VII for field report.
10/17/52 Received report of field examination, dated Oct. 14, 1952, recommending exploration program in amount of $7,370.00.
10/23/52 Memo from U.S.B.M. concurs in field team's recommendation.
11/4/52 Memo from U.S.G.S. concurs in field team's recommendation.

Laurance F. Hearne
Nonmetallic Minerals Division

LFHearne:gad

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

IN REPLY REFER TO:

G-MD-CNM

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

November 4, 1952

U.S. DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2646 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Robert Baker.
Name of property: Zinniman mine.
Location of property: Spruce Pine district, North Carolina.
Date of field team report: October 14, 1952.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation:

Explore pegmatite by deepening a 46-foot shaft to 105 feet and driving 100 feet of drifts northeastward on the 100-foot level.

Comments: None.

ACTION SUGGESTED:

Follow field team's recommendation; mica from this property might be tested first for its strategic quality, in accordance with the recommendation in Weis' memorandum of September 9, if this has not already been done.

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.

November 4, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 5 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2646 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Robert Baker.
Name of property: Zinniman mine.
Location of property: Spruce Pine district, North Carolina.
Date of field team report: October 14, 1952.
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Comments: None.

ACTION SUGGESTED:

Follow field team's recommendation; mica from this property might be tested first for its strategic quality, in accordance with the recommendation in Weis' memorandum of September 9, if this has not already been done.

R. E. Van Alstine

Van Alstine:jeh
G-11/4/52
cc: Director's reading file 4212
Branch " " "
DMEA
Van Alstine G-230
Norton G-230

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

Room 13, Post Office Building
Knoxville 2, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1952

October 27, 1952

Memorandum

To: Lawrence G. Houk, Chief Mon-metallic Minerals Division
Thru: Operating Committee, D M E A

From: Field Team, DMEA - Region VII

Subject: Docket No. DMEA-2646 (mica) Zinniman Mine, Toe Cane, N.C.
Supplementary Information

The exploration program as recommended in the Field Team's report, dated October 14, 1952, consisted of trimming the 46-foot circular shaft (now 4 ft. in diameter) to 5 x 7 feet in cross section, timber it, and deepen shaft to 105 feet. A drift should then be driven 100 feet northeast along the pegmatite and under the old workings.

The possibility of sinking a new shaft on the pegmatite in the area of the old workings was discussed with your office by telephone on October 27, 1952.

The lateral extent, character, and depth of these old openings are not clearly known, whereas the 46-foot shaft is in undisturbed ground. Furthermore, the pegmatite in all likelyhood extends at least to the position of the new shaft, thus allowing all of the new work to be conducted in unexplored pegmatite. Since the 46-foot shaft is in semi-weathered rock, cost of trimming and timbering it will be considerably less than sinking a new shaft from the surface. This shaft was sunk entirely with hand tools; however, the ground stands well.

The Field Team is still of the opinion that the proposal suggested in the report dated October 14, 1952 is the most suitable one.

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

Robert A. Laurence, Executive Officer
DMEA - Region VII

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 29 1952

Room 13, Post Office Building
Knoxville 2, Tennessee

October 27, 1952

Memorandum

To: Lawrence G. Houk, Chief Non-metallic Minerals Division
Thru: Operating Committee, D M E A

From: Field Team, DMEA - Region VII

Subject: Docket No. DMEA-2646 (mica) Zinnimman Mine, Tee Cane, N.C.
Supplementary Information

The exploration program as recommended in the Field Team's report, dated October 14, 1952, consisted of trimming the 46-foot circular shaft (now 4 ft. in diameter) to 5 x 7 feet in cross section, timber it, and deepen shaft to 105 feet. A drift should then be driven 100 feet northeast along the pegmatite and under the old workings.

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The Field Team is still of the opinion that the proposal suggested in the report dated October 14, 1952 is the most suitable one.

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

Robert A. Laurence, Executive Officer
DMEA - Region VII

KHT/mm
cc:
Beck-Lynch
Files-2

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

October 23, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646, Mica, Zinniman Mine, Mitchell County, Toecane, North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $7370.

W. F. Dietrich

W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
OCT 23 1952

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

October 23, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646, Mica, Zinnimon Mine, Mitchell County, Toecane, North Carolina

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W. F. Dietrich

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 23 1952

FILE COPY
SURNAME:

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

Hearne
Sos Mitterdorf

OCT 20 1952

Mr. Robert Baker
R.F.D. #1
Box 109
Tee Cane, North Carolina

Subject: Docket No. DMEA-2646 - Mica
Zimmman Mine
Tee Cane, North Carolina

Dear Mr. Baker:

Reference is made to your application, Docket No. DMEA-2646, for exploration assistance at the Zimmman Mine, Tee Cane, North Carolina.

It will be necessary for you to sign the lease on the property involved before your application can be given further consideration.

Will you please sign the enclosed document as indicated and return it to this office, at your earliest convenience.

Your interest in the Defense Minerals Exploration Administration's Program to increase supplies of strategic mica for the national defense is appreciated.

Sincerely yours,

SIGNED

10-20

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure

LFHearne:gad 10/20/52

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

Room 13, Post Office Building
Knoxville 2, Tennessee

October 15, 1952

Memorandum

To: Operating Committee, DMEA-Washington

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

Subject: Field Team Report on: DMEA-2646, Zinniman Mine (mica)
Robert Baker, Toecane, N. C. Applicant

Transmitted herewith are 4 copies of the subject report with 6 extra copies of the map. The Field Team concurs in the recommendations in this report.

Robert A. Laurence

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

Wm. A. Beck

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2646, ZINNIMAN MINE (mica)

Applicant: Robert Baker, R#1. Box 109, Toecane, N.C.

By

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

and

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

October 14, 1952

Reviewed by
DMEA OPERATING COMMITTEE
10-22-52.
(date)

The mica in the dumps is ruby colored, hard, flat, clear, and generally splits well. Some of it is somewhat cracked. The dumps have been reworked several times for their punch and scrap content. The mica appears to be satisfactory for stockpiling.

Past history of operations at this place are somewhat obscure. It is reported that a Dr. Zinniman first opened the deposit about 75 years ago. During World War II, Jess McKenny sunk a 50-foot shaft at the southwest end of the property, but produced no mica. Recently Mr. Baker sunk a 4-foot circular shaft to a depth of 46 feet. This shaft is entirely in wall rock.

As determined from discussions with the Applicant at the time of the examination he proposes to deepen the shaft to 60 feet and drift to the northeast on the pegmatite. This plan fails to consider that old workings probably extend to that depth.

The Field Team is of the opinion that the shaft should be at least 100 feet deep before any drifting is undertaken; therefore, it is our recommendation that the circular shaft be trimmed to 5 x 7 feet, timbered, and deepened to 105 feet. A drift should then be driven northeastward on the pegmatite beneath the old workings.

It is recommended that the short form contract be used, with the following work and estimated costs:

Trim to 5 x 7 feet and timber 46-foot shaft @ $20/ft.	$ 920.00
Sink 59 ft. of 5' x 7' shaft @ $50/ft.	2950.00
100 feet of 5' x7' drift @ $35/ft.	3500.00
Estimated Total Cost.....	$7370.00

Estimated time - 100 shifts.

October 14, 1952

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM

zm

Report of Field Team Examination on

LMEA-2646-ZINNIMAN MINE (mica)

Applicant: Robert Baker, R#1. Box 109, Toecane, N.C.

This deposit appears to merit exploration. Mica examined is of stockpiling grade and old openings indicate that the pegmatite has considerable extent. The Field Team recommends that a 46-foot shaft be deepened to 105 feet and 100 feet of drifts driven northeastward from the 100-foot level.

The Field Team examined this deposit on October 7, 1952, accompanied by the applicant, Robert Baker.

The Zinniman Mine is located 3.6 airline miles N. 40° W., of Spruce Pine, 1.6 airline miles due north of Penland, and 0.57 miles due south of Bear Creek Church in Mitchell County, North Carolina. Access is via N. C. Highway N419 and an all weather gravel road. The mine is along the crest of a low ridge.

The Applicant has had experience in coal, tungsten, and mica mining. He appears competent to conduct the proposed exploration

The surface rights and mineral rights are owned by different parties. It was explained to the Applicant that before a contract could be prepared for the proposed exploration it would be necessary to secure "Owner's Consent to Lien" from the owner of the mineral rights. Necessary blanks were given to the Applicant. The area the applicant has under lease is adequate for the proposed exploration program.

There are no buildings or surface facilities on the property at present. There are several old caved shafts and pits aligned in a N. 30° E direction over a distance of approximately 175 feet. All of these openings are now caved and filled. Mr. Baker reports that the deepest opening is between 80 and 90 feet deep with the others 40-60 feet deep. From the size of dumps it would appear that most of the pegmatite has been removed above the 60-foot level.

Exposures are too poor at this place to permit accurate study of the geology. The pegmatite is emplaced in a mica gneiss whose foliation trends to the northeast, dipping near vertical. The pegmatite is nowhere exposed. From the distribution of the caved openings it would appear to strike about N 30° E., and have a near vertical dip. Mr. Baker reports that the pegmatite is from 6 to 10 feet thick. Dump material consists of coarse blocky plagioclase feldspar, small and large masses of smokey quartz, and mica.

The mica in the dumps is ruby colored, hard, flat, clear, and generally splits well. Some of it is somewhat cracked. The dumps have been reworked several times for their punch and scrap content. The mica appears to be satisfactory for stockpiling.

Past history of operations at this place are somewhat obscure. It is reported that a Dr. Zinniman first opened the deposit about 75 years ago. During World War II, Jess McKenny sunk a 50-foot shaft at the southwest end of the property, but produced no mica. Recently Mr. Baker sunk a 4-foot circular shaft to a depth of 46 feet. This shaft is entirely in wall rock.

As determined from discussions with the Applicant at the time of the examination he proposes to deepen the shaft to 60 feet and drift to the northeast on the pegmatite. This plan fails to consider that old workings probably extend to that depth.

The Field Team is of the opinion that the shaft should be at least 100 feet deep before any drifting is undertaken; therefore, it is our recommendation that the circular shaft be trimmed to 5 x 7 feet, timbered, and deepened to 105 feet. A drift should then be driven northeastward on the pegmatite beneath the old workings.

It is recommended that the short form contract be used, with the following work and estimated costs:

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Sink 59 ft. of 5' x 7' shaft @ $50/ft.	2950.00
100 feet of 5' x7' drift @ $35/ft.	3500.00
Estimated Total Cost.....	$7370.00

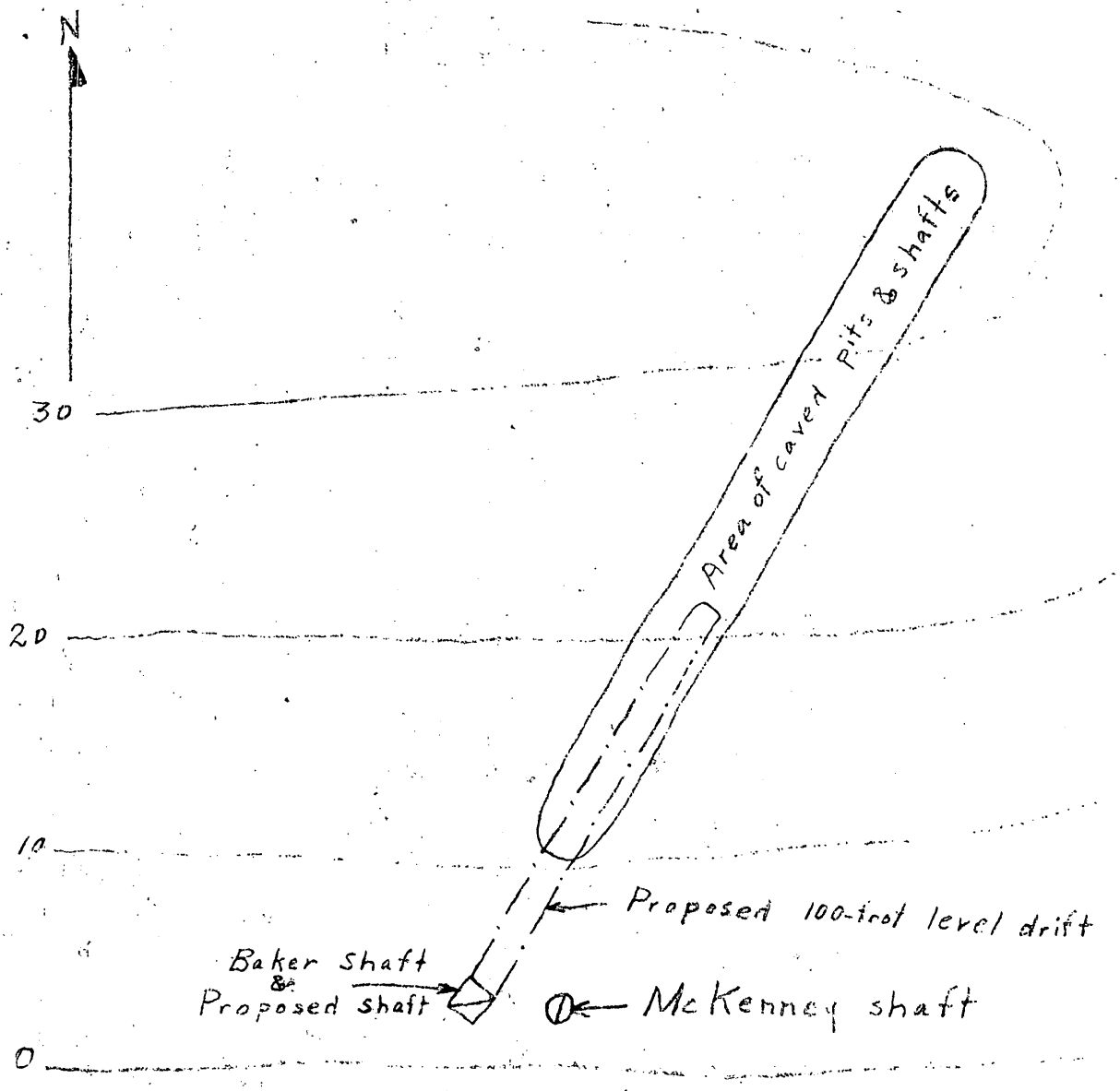
Estimated time - 100 shifts.

October 14, 1952

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM

zm



SKETCH of
Plan

Zimmiman Mine
Mitchell Co., N.C.

0 40' 80'
Scale

8/7/52 DMEA-2646

Room 13, Post Office Building
Knoxville 2, Tennessee

COPY

October 15, 1952

Memorandum

To: Operating Committee, DMEA-Washington

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

Subject: Field Team Report on: DMEA-2646, Zinniman Mine (mica)
Robert Baker, Toecane, N. C. Applicant

Transmitted herewith are 4 copies of the subject report with 6 extra copies of the map. The Field Team concurs in the recommendation in this report.

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 17 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2646, ZINNIMAN MINE (mica)

Applicant: Robert Baker, R#1. Box 109, Toecane, N.C.

By

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

and

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

October 14, 1952

Reviewed by
DMEA OPERATING COMMITTEE
10-22-52
(date)

Report of Field Team Examination on

IMEA-2646-ZINNIMAN MINE (mica)

Applicant: Robert Baker, R#1. Box 109, Toecane, N.C.

This deposit appears to merit exploration. Mica examined is of stockpiling grade and old openings indicate that the pegmatite has considerable extent. The Field Team recommends that a 46-foot shaft be deepened to 105 feet and 100 feet of drifts driven northeastward from the 100-foot level.

The Field Team examined this deposit on October 7, 1952, accompanied by the applicant, Robert Baker.

The Zinniman Mine is located 3.6 airline miles N. 40° W., of Spruce Pine, 1.6 airline miles due north of Penland, and 0.57 miles due south of Bear Creek Church in Mitchell County, North Carolina. Access is via N. C. Highway N419 and an all weather gravel road. The mine is along the crest of a low ridge.

The Applicant has had experience in coal, tungsten, and mica mining. He appears competent to conduct the proposed exploration

The surface rights and mineral rights are owned by different parties. It was explained to the Applicant that before a contract could be prepared for the proposed exploration it would be necessary to secure "Owner's Consent to Lien" from the owner of the mineral rights. Necessary blanks were given to the Applicant. The area the applicant has under lease is adequate for the proposed exploration program.

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Exposures are too poor at this place to permit accurate study of the geology. The pegmatite is emplaced in a mica gneiss whose foliation trends to the northeast, dipping near vertical. The pegmatite is nowhere exposed. From the distribution of the caved openings it would appear to strike about N 30° E., and have a near vertical dip. Mr. Baker reports that the pegmatite is from 6 to 10 feet thick. Dump material consists of coarse blocky plagioclase feldspar, small and large masses of smokey quartz, and mica.

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100 feet of 5' x7' drift @ $35/ft.	3500.00
Estimated Total Cost.....	$7370.00

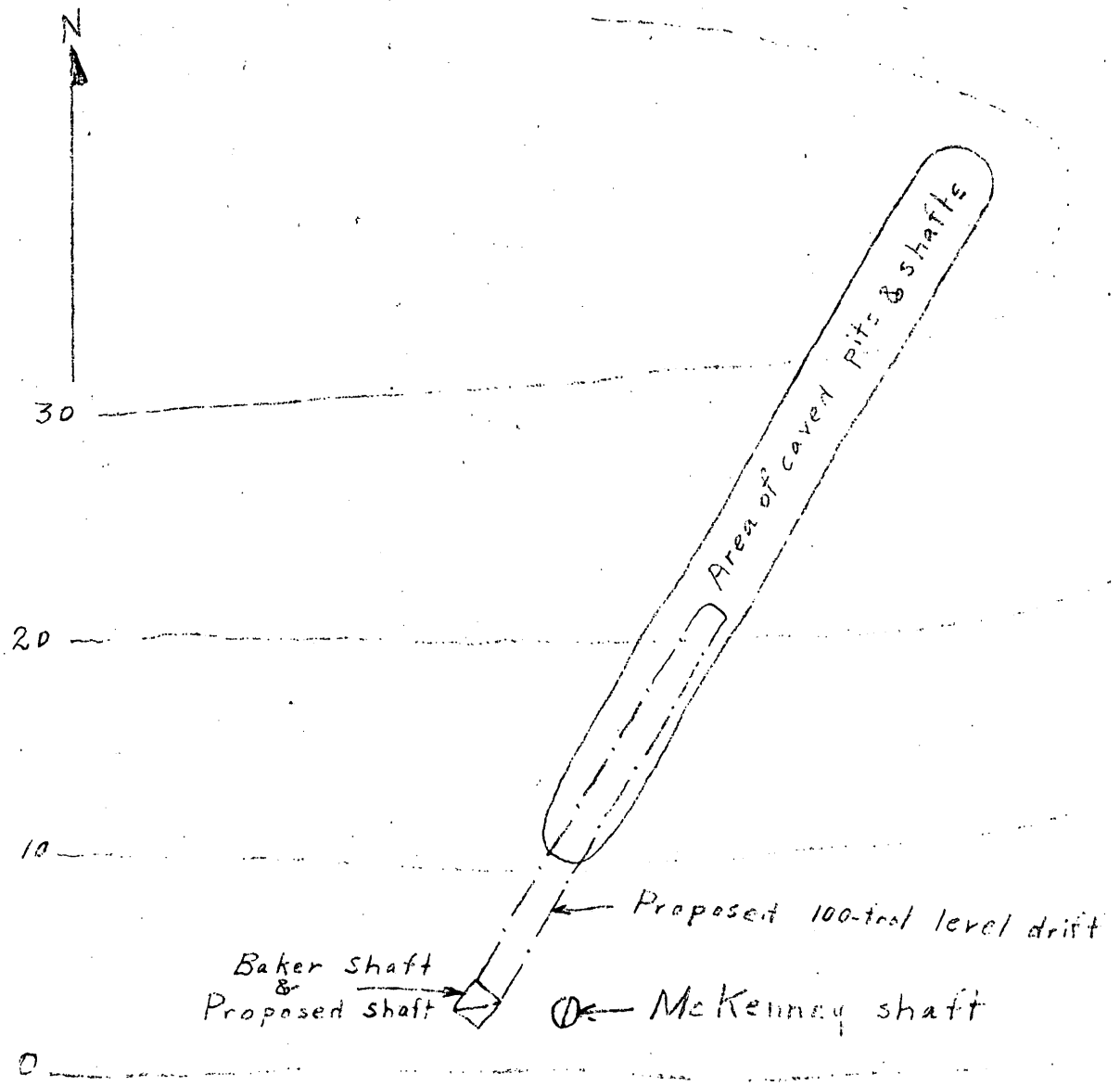
Estimated time - 100 shifts.

October 14, 1952

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM

mm



SKETCH of
Plan

Zinnimon Mine
Mitchell Co., N.C.

0 40' 80'
Scale

8/7/52 DMEA-2646

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

Ass
Mr Reams

October 1, 1952

Mr. Robert Baker
Route 1, Box 109
Toecane, North Carolina

Dear Mr. Baker:

Your application DMEA-2646 for exploration assistance on a mica deposit in Mitchell County has been referred to this office. The Field Team will be at your home Tuesday, about 8:30 a. m., October 7, 1952, to make the examination. We would appreciate it if you would arrange to accompany the Field Team upon the examination.

Very truly yours,

Kefton H. Teague

Kefton H. Teague
Geologist

OCT 3 1952

RBN
M.C.

FILE COPY
SURNAME:

Hearne
Robertson

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

SEP 15 1952

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

Subject: Docket No. DMEA-2646 - Mica
Robert Baker Project
Mitchell County, North Carolina

Dear Mr. Laurence:

Memoranda from the U. S. Bureau of Mines and the U. S. Geological Survey concerning the above-subject docket are enclosed and an examination by the Field Team is requested.

This application, when first received, contained no information except the legal description of the property. Subsequently Mr. Baker forwarded letters containing additional information and mica samples. Copies of these letters are enclosed.

The total cost of the project is estimated at $2,500.00, but no details are given as to how it was arrived at or the nature of the proposed work and its location with respect to the property boundaries. "Owner's Consent to Lien" by the owner of the mineral rights has not been received.

In the event of a favorable report by the Field Team, the applicant will probably need some help in presenting the necessary information.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

9-15-52

Approved:

J. H. Hedges

Member, Bureau of Mines

T. P. Thayer

Member, Geological Survey

Enclosures 4

LHearne:gad 9/11/52

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

P.S. Mica samples indicated that an examination is warranted.

FILE COPY
SURNAME:

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

Hearne
Robertson
Thayer
Hefner
Johnson

SEP 15 1952

Mr. Robert Baker
Box 109
R. F. D. No. 1
Toe Cane, North Carolina

Subject: Docket No. DMEA-2646 - Mica
Robert Baker Project
Mitchell County, North Carolina

Dear Mr. Baker:

Your application in the above-captioned docket has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for field examination.

Your interest in exploration for mica is appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

P.N.
9-15-52

LFHearne:gad 9/11/52

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

IN REPLY REFER TO:
G-MD-CNM

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

September 9, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 10 1952

Memorandum

REVIEW OF APPLICATION DMEA-2646 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: P. L. Weis, U. S. Geological Survey
Applicant: Robert Baker.
Name of property: Not given.
Location of property: Mitchell County, North Carolina.
Estimated cost of project: $2,500.
Summary of applicant's proposal: Not given.
Sources of information on applicant's property: None.
Comments: The application is incomplete, and the applicant's proposal is not given. In view of these inadequacies, it appears advisable to request a sample of mica from the property before sending the field team on what may prove to be another wild goose chase. The field team has enough to do without investigating properties of such uncertain value.

RECOMMENDATION:

1. Request a sample of mica from the applicant.
2. If the mica proves to be strategic, request an examination by the field team.

Paul L. Weis

Paul L. Weis

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

September 3, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646, Mica, Robert Baker,
Mitchell County, North Carolina.

I concurred verbally on August 21 in recommending a field examination to inspect and report on the feasibility of preparing an exploration project at this mine.

W. F. Dietrich

W. F. Dietrich

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

Kearns

August 19, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646, Mica, Robert Baker, Mitchell County, North Carolina

It is suggested that applicant be requested to furnish further information, with reference to a more detailed plan of proposed exploration, map indicating geological features, and relevant questions not answered adequately in the application.

W. F. Dietrich

W. F. Dietrich

In a telephone conversation with Kearns, Aug. 21, Dietrich concurred in the suggestion that the field team visit the property and help the applicant fill out a suitable application, if warranted.

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

August 19, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2646, Mica, Robert Baker, Mitchell County, North Carolina

It is suggested that applicant be requested to furnish further information, with reference to a more detailed plan of proposed exploration, map indicating geological features, and relevant questions not answered adequately in the application.

W. F. Dietrich

In a telephone conversation with Hearne, Aug 21, Dietrich concurred in the suggestion that the field team visit the property and help the applicant fill out a suitable application, if warranted.

Toe Cane, N. C.,
R. F. D. #1,
Box 109.

Department of the Interior,
Defense Minerals Exploration Adm.,
Attn: Robert E. Adams,
Washington 25, D. C.

Subject:DMEA-2646
Exploration Assistance.

Gentlemen:

Reference is made to your letter of August 12th in regard to the above subject, be g to advise that the total estimated cost of the operation would be approximately $2,500.oo

Very truly,

Robert Baker

Robert Baker.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 18 1952

Mr. Hearne.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Room 1, Post Office Building
Knoxville 2, Tennessee

August 14, 1952

Mr. R. E. Adams, Administrative Officer
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Subject: Docket No. DMEA-2646 - Mica
Robert Baker
Mitchell County, North Carolina

Dear Mr. Adams:

To-day we received in the mail one copy of MF-103 which was presented by Robert Baker of Toe Cane, North Carolina. The application form is practically blank. We are wondering whether Mr. Baker sent any additional papers to accompany the application.

Sincerely,

Wm. A. Beck

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

Mr. Robert Baker
R. F. D. #1
Box 109
Toecane, North Carolina

Subject: DMEA-2646
Re: Exploration Assistance
August 12, 1952

My dear Mr. Baker:

The receipt of your application dated August 1, 1952, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2646 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-2646 in any future correspondence relating to your application.

Please submit a total estimated cost of your operation.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams
Chief, Operation's Control
and Statistics Division

DMEA-2646

200

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

AUG 6 1952

Mr. Robert Baker
R. F. D. #1
Box 109
Toecane, North Carolina

Dear Mr. Baker:

There are returned herewith 4 copies of Application Form MF-103 requesting exploration project assistance. It is requested that all questions on the forms be answered as completely as possible. It is also requested that you submit the sample of the mica from the area for which you wish exploration assistance.

Upon resubmission of your application, please sign all 4 copies in the place provided.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Operations Control & Statistics Div.
Defense Minerals Exploration
Administration

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 11 1952

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. DMEA-2646
Metal or Mineral
Date Received 8-11-52
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:

Robert Baker, Toe Cane, R. F. D. #1, Box 109, 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

In Snow Creek Township, Mitchell County, N. C adjoining the lands of J. J. Conley and others, containing 67 acres and fully described in a deed in the office of the Register of Deeds for Mitchell County, N. C. in Book 74 at page 505 & c., reference to said recorded deed is hereby made

(*b*) State the name by which the property is known.

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

Lease of mineral rights, owner of surface

(*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

None

(*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.

DEPARTMENT OF THE INTERIOR
AUG 11 1952
AUG 4 1952

16—66551-1

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore 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 90 days and be completed within 24 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 August 1st, 1952, 195

(Applicant)

By Robert Baker

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

C
O
P
Y

DMEA-2646
Robert Baker

Physical description. This property was first mined about seventy five years ago and has produced considerable high grade ruby mica and has been worked extensively. I have already started a shaft for mining and have it to a depth of about twenty five feet, Robert Baker will be the owner and operator. The property is easy to get to, being about one half mile from State Highway No. 26, leading from Spruce Pine to Bakersville.

This property in past has produced large quantities of high grade ruby mica.

The mica lays in a pegmatite gash vein running North East and South West along the top of a rolling ridge.

There is access roads, the shipping point would be at Spruce Pine, a distance of about six miles.

Manpower, materials, equipment is available.

C
O
P
Y

Toe Cane, N. C.,
R. F. D. #1,
Box 109.

Department of the Interior,
Defense Minerals Exploration Adm.,
Attn: Robert E. Adams,
Washington 25, D. C.

Subject: DMEA-2646
Exploration Assistance.

Gentlemen:

Reference is made to your letter of August 12th in regard to the above subject, beg to advise that the total estimated cost of the operation would be approximately $2,500.00

Very truly,

/s/ Robert Baker

Robert Baker.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
Received
Aug 18 1952

MINING LEASE

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

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

This indenture made this 16th day of July 1952, between M. C. Pitman and wife Deptie Pitman, Brown McKinney and wife Frances McKinney of Mitchell County and State of North Carolina, as parties of the first part, and known as lessors, and Robert Baker, of Mitchell County and State of Mitchell, of the second part and known as lessees:

WITNESSETH, That the parties of the first part, in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of Two years from the date of this agreement, the following described real property, for mining purposes, in the County of Mitchell State of North Carolina, to wit:

All the mineral and mining rights in a certain piece or parcel of land lying and being in Snow Creek Township, containing 67 acres more or less, adjoining the lands of J. J. Conley and others, and being the same identical lands described in a deed executed by L. F. Burleson, Sheriff, to M. C. Pitman and Brown McKinney on the 16th day of August, 1920 and recorded in the office of the Register of Deeds for Mitchell County, North Carolina, in Book No. 74 at page 505 & c., reference is hereby made to said recorded deed for a more complete descripton of the said land

To Have and to Hold the said lands to them, for mining purposes, the said Robert Baker, and their heirs and assigns for the aforesaid period of Two years upon a full compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search for and obtain any kind of minerals, metals or fossils, and particularly Mica and to conduct the same to any extent the said party of the second part may desire. And it is hereby agreed between the parties to this agreement that the party of the second part are to have the use of the unoccupied buildings on said lands for mining purposes, or have a right to erect such, if necessary, during the continuance of this lease, and keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by party of the second part that no unnecessary damage is to be done to the lands herein leased during the continuance of said lease, but the said party of the second part shall have right to take from said lands of party of the first part any wood or timber to carry on said mining operations or to erect buildings on said lands. (Timber of high or special market value excepted.) And the party of the second part are to have right-of-way of ingress and egress to said mines. The said party of the second part hereby agree to pay to the said parties of the first part, or their heirs or assigns, a rental or royalty of One Eighth on mica, on taken and sold from said mines for the use of the said lands for the aforesaid period of Two years only; payable as follows: Whenever a sale is made

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

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

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

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

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

Witness: Noelle Willis

Brown McKinney (SEAL)

Frances McKinney (SEAL)

M C Pitman (SEAL)

Deptie Pitman (SEAL)

X Robert Baker (Seal)

Docket No. D MEA 2646.

NORTH CAROLINA, Mitchell COUNTY. _____ TOWNSHIP.

I, R. P. Greene, do certify that Brown McKinney

and Frances McKinney

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

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

This 24 day of July, 1952

R. P. Greene
C.S.C. Justice of the Peace.

NORTH CAROLINA, Mitchell COUNTY.

The execution of the foregoing instrument was this day acknowledged before me, by M. C. Pitman and wife Deptie Pitman the grantors for the purposes therein expressed. Let the same, with this certificate, be registered. This Thirtieth day of July, 1952

Ruby Willis, N. P.

NORTH CAROLINA, _____ COUNTY.

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

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

_____
Clerk Superior Court.

Filed for Registration at 1:05 o'clock P M., August 1, 1952, and registered in the office of Register of Deeds for Mitchell County, in Deed Book No. 76 page No. 537

August 8, 1952

John Hobson Jr.
Register of Deeds.

MINING LEASE

FROM
Brown & Frances McKinney
to M. C. & Deptie Pitman

TO
Robert Baker

Lease Book _____ Page _____

FEES:

Probate	$
Certificate and Seal, J. P. or N. P.	$
Certificate and Seal, Clerk	$
State Tax	$
	$

See Bd. $1.50

(April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. DMEA-2646
Metal or Mineral
Date Received 8-11-52
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: Robert Baker, Toe Cane, R. F. D. #1, Box 109, 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 In Snow Creek Township, Mitchell County, N. C, adjoining the lands of J. J. Conley and others, containing 67 acres and fully described in a deed in the office of the Register of Deeds for Mitchell County, N. C., in Book 74 at page 505 &c., reference to said recorded deed is hereby made

(*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 Lease of mineral rights, owner of surface

(*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 None

(*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.

Department of the Interior
Defense Minerals Administration
RECEIVED
AUG 11 1952

16—66551-1

5. *The exploration project.*—(a) State the mineral or minerals for which you will to explore 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 90 days and be completed within 24 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.).

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(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 August 1st, 195 2

(Applicant)

By Robert Baker

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

Physical description. This property was first mined about seventy five years ago and has produced considerable high grade ruby mica and has been worked extensively. I have already started a shaft for mining and have it to a depth of about twenty five feet, Robert Baker will be the owner and operator. The property is easy to get to, being about one half mile from State Highway No. 26, leading from Spruce Pine to Bakersville.

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The mica lays in a pegmatite gash vein running North East and South West along the top of a rolling ridge.

There is access roads, the shipping point would be at Spruce Pine, a distance of about six miles.

Manpower, materials, equipment is available.