DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. DMEA-2844

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 ASSISTANCE

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

CYS TO USBM,USGS.1 cy retained in Reg. VII

To:	Code 600 Rm 4637	Date	1/9/53
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CONTROLLED DOCUMENT

600

JUL 10 1953

Mr. P. H. Pitts
Pitts, Stewart and Younce
Franklin, North Carolina

Re: Docket No. DMEA-2844 - Mica
Old Smith Mine
Macon County, North Carolina

Dear Mr. Pitts:

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

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of mica on your property, indicates to us that the probability of disclosing minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf

Administrator

SAFeitler:gad 7/8/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

July 7, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2844 - Mica
Pitts, Stewart and Younce
Old Smith Mine
Macon County, North Carolina

Closing letter: Denial of application attached.

Resume: Application, submitted January 9, 1953, proposes driving a 75 foot adit, deepening present shaft, and drifting from the shaft. The cost is estimated at $10,125.00.

The Field Team reports that the mica is of poor quality and although recent operations have resulted in the recovery of $1,000.00 worth of strategic mica, further work is unlikely to result in a significant discovery.

2/3/53 Report from Field Team recommending denial.
2/13/53 Memo from Geological Survey concurs with Field Team.
6/5/53 Memo from Bureau of Mines concurs with Field Team.
7/6/53 Denial letter prepared.

SIGNED

Stanley A. Feitler
Nonmetallic Minerals Division

Attachment

SAFeitler:dec 7/7/53
Copy to: Admr. R. File
Docket File
Mr. Houk

FILE COPY
SURNAME:

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

Feitler
Houk
Hedges
Mitchell
Selfridge
Johnson

JUL 10 1953

Mr. J. B. Pitts
Pitts, Stewart and Younce
Franklin, North Carolina

Re: Docket No. [illegible] - Mica
Old Smith Mine
Macon County, North Carolina

Dear Mr. Pitts:

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Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding ore of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, including a small amount of ore on your property, indicates to us that the probability of discovering minable ore reserves by your proposed program is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

SAFeitler:gad 7/8/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S.
7-10-53

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

July 7, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2844 - Mica
Pitts, Stewart and Younce
Old Smith Mine
Macon County, North Carolina

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6/5/53 Memo from Bureau of Mines concurs with Field Team.
7/6/53 Denial letter prepared.

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

Attachment

FILE COPY
SURNAME:

Feitler
Houk

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

July 7, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing Review of Docket No. DMEA-2844 - Mica
Pitts, Stewart and Younce
Old Smith Mine
Macon County, North Carolina

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SIGNED

Stanley A. Feitler
Nonmetallic Minerals Division

Attachment
SAFeitler:dec 7/7/53
Copy to: Admr. R. File
Docket File
Mr. Houk

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

June 5, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2844, Mica, Old Smith Mine, Macon County
North Carolina

I concur in the field team's recommendation to deny subject application on the basis that the mica is of poor quality.

W. F. Dietrich

W. F. Dietrich

Nu. 7 either

GCL
7/9/53

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2844, ROARING FORK MINE (mica)
Franklin, North Carolina

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

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

February 3, 1953

Reviewed by
DMEA OPERATING COMMITTEE

2-11-53
(date)

Field Examination on

ROARING FORK (Smith) Mine
DMEA-2844 (mica)
Applicants: P.H. Pitts, H.L. Stewart, and Bill Younce
Franklin, N. C.

There is no evidence at this place to indicate the presence of a worthwhile deposit of strategic mica, therefore, the application for exploration assistance should be denied.

This deposit was examined on January 27, 1953. The field examiners were accompanied by H. L. Stewart on the examination which required four hours.

The Roaring Fork mine, also known as the Norman Mashburn or Smith mine, is on the south side of Roaring Fork Creek and 200 feet below the top of the ridge. The mine is 3.7 airline miles N. 35° W., of Rainbow Springs. It is in the Nantahala National Forest and was first worked by Smith Moore about 1900. Harley Lyle, Jr., and Norman Mashburn operated the mine in 1918. Mathew Cole operated the mine from November 1943 until March 1945 with a crew of four men. During this last operation only moderate amounts of trimmed sheet and punch mica were obtained. The western group of workings trends N. 25° E., for 150 feet.

Recent work by the applicant has destroyed the old openings, as the opening now consists of two open cuts resulting from bulldozer work. These cuts are made along the pegmatites and are parallel. Each are about 100 feet long and 50 feet apart. In addition to the cut on the western pegmatite a shaft 35 feet deep has been sunk in pegmatite 20 feet south of the head of the cut.

The main pegmatite dike, which is exposed in the western workings, strikes N. 12° E., dips 65° SE., and ranges in thickness from 9 to 10 feet. The foliation of the hanging-wall gneiss strikes N. 80° E., and dips 55° NW. The tabular dike appears to have been emplaced along a fracture or fault.

No mica occurs along the hanging-wall side of the core, but here a prominent shear zone cuts across the body at a small angle. Many small wisps of gneiss occur in the wall zone on the hanging-wall side of the dike. Pyrite is a common accessory mineral in the wall zone.

The eastern pegmatite body is parallel to the western one, but its total thickness is not exposed.

Mica from the two deposits is very similar. It is light brown to pale greenish brown in color. Books on the dumps are of very poor quality.

They are soft, and contain "A" structure, warping, ruling, reeves, and cracks. Some black specks are concentrated in bands parallel to reeves, and many of the books are tied. According to Mr. Mashburn, mica was mined only along the footwall side of the quartz mass and the largest concentrations occurred wherever the quartz pinches abruptly. Neither ~~of~~ the history of the last operation nor the present exposures afford evidence for believing that the mine will be a source of much sheet mica in the future.

During recent operations by the applicant about $1,000.00 worth of strategic mica has been recovered. However, it cost an estimated $3,000 (applicant's estimate) to produce this amount. The field examiners do not believe that further work at this place will be any more successful than the previous operation. Therefore, no further consideration should be given the deposit and the application for exploration assistance should be denied.

February 3, 1953

K. H. Teague, USGS

L. E. Shirley, USBM

zm

Mr. Feitler

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

February 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2844, Mica, Old Smith Mine, Macon County, North Carolina

No data are available in this office on subject property. It is suggested that the field team visit this property when they are in that vicinity to ascertain if an exploration program is justified.

W F Dietrich

W. F. Dietrich

IN REPLY REFER TO:

G-MD-CNM

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

February 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2844 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Pitts, Stewart, & Younce, Franklin, North Carolina.
Name of property: Roaring Fork (Old Smith) mine.
Location of property: 3.7 miles N. 35° W. of Rainbow Springs in Nantahala National Forest, Macon County, North Carolina.
Date of field team report: February 3, 1953.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation: Denial.
Comments: Recent unprofitable operations by applicant yielded only small quantity of strategic mica.
ACTION SUGGESTED: Follow field team's recommendation.

R. E. Van Alstine

R. E. Van Alstine

No Further

COPY

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

February 4, 1953

Memorandum

To: Operating Committee, DMEA-Washington

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

Subject: Field Examination Reports on:
DMEA-2844, Pitts, Stewart & Younce, Roaring Fork Mine (mica).
DMEA-2818, Williams Prospect (mica)

Enclosed herewith are 4 copies each of the field examination reports on the subject applications.

These applications have not been referred for examination, but examination was made while the field examiners were in the vicinity to avoid necessity of a return trip.

The Field Team agrees with the recommendation for denial.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
2-11-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2644, ROARING FORK MINE (mica)
Franklin, North Carolina

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

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

February 3, 1953

Reviewed by
DMEA OPERATING COMMITTEE

2-11-53
(date)

Field Examination on

ROARING FORK (Smith) Mine
DMEA-2844 (mica)
Applicants: P.H. Pitts, H.L. Stewart, and Bill Younce
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February 3, 1953

K. H. Teague, USGS

L. R. Shirley, USBM

mm

IN REPLY REFER TO:

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

January 12, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 13 1953

Memorandum

REVIEW OF APPLICATION DMEA-2844 (Mica).

To: L. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey.
Applicant: Partnership; Pitts, Stewart, Younce; Franklin, N. C.
Name of property: Old Smith Mine
Location of property: 25 miles southwest of Franklin, in Nantahala National Forest, Macon Co., North Carolina.
Estimated cost of project: $10,125.

Sources of information on applicant's property:

1) Field notes by J. C. Olson, J. J. Page, and E. W. Heinrich. These notes are being mailed to the field separately.

Comments:

1) No records of production figures.

RECOMMENDATION:

Field team examination.

J. J. Norton

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 9 1953

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

Not to be filled in by applicant

Docket No. DMEA-2844
Metal or Mineral
Date Received 1/9/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Pitts, Stewart, and Younce Partnership, State of North Carolina

P.H. Pitts, Franklin, N.C. H.L. Stewart, Franklin, N.C. Bill Younce, Franklin, N.C.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract tract in ~~Natahala~~ Nantahala National Forest, legal description as in lease.

(*b*) State any mine name by which the property is known. Old Smith Mine

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Not Applicable

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

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

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

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

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

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

5. *The exploration project.*—(a) State the mineral or minerals for which you wish to explore Strategic 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 10 days and be completed within 4 to 8 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 5, 1953

Pitts, Stewart, and Younce
(Applicant)

By [signature]
H. L. Stewart

[signature]

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

accompanying sheet for Form MF-103, application of Pitts, Stewart, and Younce

Instructions

4.a) The property was once a producing mine, some years ago. High grade mica was obtained from the property, but production was halted because the hand tools then used were not capable of handling at a profit the extreemly hard rock.

Exploration work has been started, by the applicants. One tunnel and one shaft have been started, but further exploration is needed.

b) There are no existing records as to the production figures of the old workings. Currently, only such production as is incidental to the exploration work has been done.

c) The terrain is rough and steep. The strata are folded, and about typical of the Appalachain Mountain region in this respect. Clays and quartz rocks are abundant. The deposit to which this application refers is a vein (or possibly the vertical part of a folded bed) of white flint rock which is rich in mica. The purpose of the proposed exploration work would be the extension of the existing shaft and tunnel work to determine whether there is present enough high grade mica to make commercial production feasable.

d) Accessability. The property is located approximately 25 miles from Franklin, N.C., as follows: 18 miles West on paved highway, U.S. 64, to Nantahala River; 5 miles down river on graveled Forest Service road to Roaring Fork creek; 1 mile up Roaring Fork creek on logging road; 1 mile further on road already constructed by applicants.

e) Manpower, materials, supplies, and equipment are easily obtainable in Franklin, N.C. The water supply is adequate, must be piped approximately 500 feet. There is no nearby source of power; this, however, is of small consequence since all of the necessary equipment is ordinarily of the self-powered type.

5.b) The applicants have started a shaft and a tunnel. It is proposed to drive the tunnel 75 feet to connect with the shaft, and to drive the shaft at least 50 feet deeper, with short exploratory tunnels at promising leads.

d) Experience of applicants. Of the partners, P.H. Pitts and Bill Younce have had no previous experience at mining. H.L. Stweart, however, has had approximately 15 years executive experience at mining and construction work. Also, P.H. Pitts has had approximately 35 years experience in executive and supervisory capacities.

The applicants intend to personally supervise the work.

accompanying sheet for form MF-103, application of Pitts, Stewart, And Younce

Instructions

6. Estimate of Costs

a) Independent Contracts.....none

b) Labor, Supervision, Consultants..refer to (h)

c) Operating materials and Supplies..refer to (h)

d) Operating equipment...

to be purchased:

compressor unit.....	$3,300.00	
jack hammer and drills..	700.00	
hoist.....	1,500.00	
pipe, 500 feet @ 20¢ per foot.....	100.00	
Total Operating Equipment.....	$ 5,600.00	$5,600.00

e) Rehabilitation and repairs...None

f) New buildings, improvements, installations..none

g) Miscellaneous..

Employer's liability insurance..... 275.00

h) Contingencies

Construction of 75 feet of tunnel and 50 feet of shaft, at an estimated cost of $34.00 per foot..... 4,250.00

TOTAL ESTIMATED COSTS.....$10,125.00

$10,125.00

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

January 9, 1953

Memorandum

To: Executive Officer, DMEA Field Team, Region VII

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number.

There is listed below the assigned Docket Number to an application recently received from Region VII.

DMEA-2844 - Pitts, Stewart and Younce

ROBERT E. ADAMS

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

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

January 9, 1953

Mr. P. H. Pitts
Pitts, Stewart and Younce
Franklin, N. Carolina

Subject: DMEA-2844
Re: Exploration Assistance
The Old Smith Mine

My dear Mr. Pitts:

The receipt of your application dated January 5, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2844 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2844 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 02, Tennessee

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 9 1953

January 7, 1953

Memorandum

To: Operating Committee, D M E A - Washington

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

Subject: Application - Pitts, Stewart and Younce. North Carolina. (mica)

Transmitted herewith are 3 copies of the above subject application, a copy of their lease, and other pertinent information pertaining to the application.

Robert A. Laurence
Robert A. Laurence

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Defense Minerals Administration.

DEPARTMENT OF THE INTERIOR
RECEIVED
JAN 9 1953

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

Not to be filled in by applicant

Docket No. dm ea-2844
Metal or Mineral
Date Received 1/9/53
Estimated Cost
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Pitts, Stewart, and Younce. Partnership, State of North Carolina

P. H. Pitts, Franklin, N.C. H. L. Stewart, Franklin, N.C. Bill Younce, Franklin, N.C.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract tract in Nantahala National Forest, legal descriptio as in lease.

(*b*) State any mine name by which the property is known. The Old Smith Mine

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Not Applicable

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

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

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

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

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

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

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore Strategic 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 10 days and be completed within 4 to 8 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated January 5, 1953

Pitts, Stewart, and Younce
(Applicant)

By D. Pitts
H. L. Stewart
Buck Younce

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

accompanying sheet for Form MF-103, application of Pitts, Stewart, and Younce

Instructions

4.a) The property was once a producing mine, some years ago. High grade mica was obtained from the property, but production was halted because the hand tools then used were not capable of handling at a profit the extreemly hard rock.

Exploration work has been started, by the applicants. One tunnel and one shaft have been started, but further exploration is needed.

b) There are no existing records as to the production figures of the old workings. Currently, only such production as is incidental to the exploration work has been done.

c) The terrain is rough and steep. The strata are folded, and about typical of the Appalachain Mountain region in this respect. Clays and quartz rocks are abundant. The deposit to which this application refers is a vein (or possibly the vertical part of a folded bed) of white flint rock which is rich in mica. The purpose of the proposed exploration work would be the extension of the existing shaft and tunnel work to determine whether there is present enough high grade mica to make commercial production feasable.

d) Accessability. The property is located approximately 25 miles from Franklin, N.C., as follows: 18 miles West on paved highway, U.S. 64, to Nantahala River; 5 miles down river on graveled Forest Service road to Roaring Fork creek; 1 mile up Roaring Fork creek on ~~logging~~ logging road; 1 mile further on road already constructed by applicants.

e) Manpower, materials, supplies, and equipment are easily obtainable in Franklin, N.C. The water supply is adequate, must be piped approximately 500 feet. There is no nearby source of power; this, however, is of small consequence since all of the necessary equipment is ordinarily of the self-powered type.

5.b) The applicants have started a shaft and a tunnel. It is proposed to drive the tunnel 75 feet to connect with the shaft, and to drive the shaft at least 50 feet deeper, with short exploratory tunnels at promising leads.

d) Experience of applicants. Of the partners, P.H. Pitts and Bill Younce have had no previous experience at mining. H.L. Stweart, however, has had approximately 15 years executive experience at mining and construction work. Also, P.H. Pitts has had approximately 35 years experience in executive and supervisory capacities.

The applicants intend to personally supervise the work.

accompanying sheet for form MF-103, application of Pitts, Stewart, And Younce

Instructions

6. Estimate of Costs

a) Independent Contracts.....none

b) Labor, Supervision, Consultants..refer to (h)

c) Operating materials and Supplies..refer to (h)

d) Operating Equipment...

to be purchased:

compressor unit.....	$3,300.00	
jack hammer and drills..	700.00	
hoist.....	1,500.00	
pipe, 500 feet @ 20¢ per foot.....	100.00	
Total Operating Equipment.....	$ 5,600.00	$5,600.00

e) Rehabilitation and repairs...None

f) New buildings, improvements, installations..none

g) Miscellaneous..

Employer's liability insurance..... 275.00

h) Contingencies

Construction of 75 feet of tunnel and 50 feet of shaft, at an estimated cost of $34.00 per foot..... 4,250.00

TOTAL ESTIMATED COSTS.....$10,125.00

Form 4-1100
(May, 1949)

UNITED STATES
DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Washington 25, D. C.

Serial No. BLM A * 021852

North Carolina
(State)

Nantahala National Forest

MINERAL LEASE - ACQUIRED LANDS

This mineral lease entered into in quintuplicate this 1st day of July, 19 52, by and between the United States of America, the lessor, through the Bureau of Land Management, and P.H.Pitts, H.L. Stewart, and Bill Yonce, the lessee, of Franklin, N.C., pursuant to Section 402 of the President's Reorganization Plan No. 3 of 1946, and regulations thereunder (43 CFR 200.31 et seq.): witnesseth:

SECTION 1. Rights of Lessee. In consideration of the rents and royalties to be paid and conditions and covenants to be observed as herein set forth the lessor grants to the lessee, subject to all privileges and uses heretofore duly authorized and prior valid claims for a period of 10 years from the date hereof, the exclusive right to mine, remove and dispose of all the Mica and associated minerals in, upon, or under the following described tracts "Beginning at corner #90 of tract # 20-1 of the U. S. Forest Service lands, then N 6° E. 132; N. 47° E. 150; N. 67° E. 143', N. 48° E 144', N 18° E 242', N 32° E 132', N 48° 30" E. 289', N 42° E 100', N 19° E 98', N 52° 30" E 250', N 27° E149', N 70° E 122', N60° E 165', N 17° E 266', N 36° E 192', N 34° 30" E 235', N 65° E 99', N 86° E 94', N 79° E 85', N 38° E 253', N 33° E 180', N 42° E 223', N 44° E 408', N 66° E 152', N 74° E 217', to a point on South Bank of Roaring Fork Creek, S 37° E 100', along old skid road, then S 20° W 220', then S 27° W83', then S 25° E 45', to a Chestnut post which is the Northwest Corner of a proposed lease, then S 452', to a stake, then E 452' to a stake, Then N 452' to a stake, then W 452' to a cheatnut post, containing four and sixty-nine one-hundreths acres."

containing 4.69 acres, more or less, together with the right to construct and maintain thereupon such structures and other facilities as may be necessary for the mining, preparation and removal of said minerals.

SECTION 2. In consideration of the foregoing, the lessee agrees:

(a) Production. To begin production within 24 months and to continue production thereafter unless operations are interrupted by strikes, the elements or casualties not attributable to the lessee. The lessor may grant reasonable extensions of time for the commencement of production, and may authorize suspensions of production for reasonable periods of time in the interest of conservation or when the lease cannot be successfully operated at a profit, or for other reasons when such action does not adversely affect the interest of the United States.

(b) Rental. To pay to the lessor annually in advance, beginning with the date of this lease, rental of $ 4.00 for each acre or fraction thereof for each lease year until production commences, the rental payment for the year in which production commences to be credited on royalties that accrue during that lease year.

(c) Royalty. To pay the lessor within 30 days after the end of each period prescribed in subsection (f) of this section a royalty of 8 per cent of the gross value of the minerals mined hereunder at the point of shipment to market, such point of shipment to be the mine or preparation plant, as the case may be. The lessee agrees that the Secretary of the Interior, for the purpose of determining the royalties due hereunder, may establish reasonable minimum values for the minerals mined, due consideration being given to the highest price paid for a part or a majority of the production of minerals of like quality produced from the same general area, the price received by the lessee, posted prices, and other relevant matters.

(d) Minimum Royalty. If there is no production or if royalties under subsection (c) of this section total less than $ 30.00 in any lease year, to pay the lessor a sum equal to the difference between such royalties and $ 30.00, such minimum royalty

obligation to become effective the first lease year commencing after production begins, and to be payable within 30 days following the end of the lease year for which due. Lessor may, in its discretion, suspend the minimum royalty requirement when production is interrupted or suspended as provided in subsection (a).

(e) Bond. To furnish and maintain a bond in the sum of $ 1,000.00 conditioned upon compliance with the terms and conditions of this lease.

(f) Statement. To furnish for each month or such other period as may be designated by the District Mining Supervisor of the Geological Survey, statements in detail, in such form as may be prescribed by him, 1/ of the amount and value of output from the leasehold during such period for use in determining royalties, such statements to be furnished within 30 days from the close of the month or period so designated. Falsification of such statements shall be grounds for cancellation of the lease. 2/

(g) Inspection. To permit at all reasonable times: (1) inspection by any duly authorized officer of the supervising agencies, of the leased premises and all surface and underground improvements, works, machinery, equipment, and all books and records pertaining to operations and surveys or investigations under this lease; and (2) the lessor to make copies of and extracts from any or all books and records pertaining to operations under this lease.

(h) Maps - Reports. To furnish in duplicate to the District Mining Supervisor, at such times as he may require, a plat in the manner and form prescribed by him 1/ showing prospecting and development work and improvements on the lease land and other related information, with a report as to all buildings, structures, and other works or equipment, situated elsewhere and owned or operated in conjunction with, or as a part of the operations conducted hereunder.

(i) Operations. To conduct operations in compliance with all Federal and State laws and the operating regulations of the Department of the Interior (30 CFR, Chap. II, Part 231), which are made a part hereof, and to exercise reasonable diligence, skill and care in the operation of the property, and to carry on all operations in accordance with approved methods and practices, having due regard for the prevention of damage to mineral deposits, water horizons and property, injury to life and health, and economic waste.

(j) Taxes. To pay when due all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, output of mines, and other rights, property and assets of the lessee.

(k) Deliver Premises. To deliver up to the lessor in good order and condition and subject to the provisions of Section 9 hereof on the termination of this lease as a result of forfeiture thereof the lands covered thereby, including all underground timbering and such other supports and structures as are necessary for the preservation of the mine.

(l) Assignment. Not to assign this lease, or any interest therein, whether by direct assignment, operating agreement, working or royalty interest, or otherwise, nor sublet any portion of the leased premises, except with the approval in writing of the lessor. All such assignments or subleases must be submitted in triplicate within 90 days from the date of execution and must contain all of the terms and conditions agreed upon by the parties thereto. No overriding royalties or payments out of production shall be created which would exceed 1/2 the royalties payable under this lease to the lessor. An assignment of all or part of the record title to a portion of the acreage in the lease shall separate the lease into separate leaseholds and the terms hereof shall apply separately to the segregated portions. Advance annual rental payments if previously terminated shall be resumed as to an undeveloped segregated portion on the next anniversary date of the lease, the minimum royalty payment herein specified shall apply separately to the segregated portions and the time allowed within which to commence operations on an undeveloped segregated portion shall be such reasonable period as shall be prescribed by the lessor at the time the assignment is approved.

(m) Non-discrimination. Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(n) Payments. To make all payments to the lessor under this section as directed, such payments to be made to the order of the Treasurer of the United States.

SECTION 3. In further consideration of the foregoing, the lessee also agrees:

(a) Protection of Property. To conduct all operations authorized by this lease with due regard for good land management; not to cut or destroy timber without first obtaining permission from the authorized representative of the Secretary of Agriculture, and to pay for all such timber cut or destroyed at rates prescribed by such representative; to avoid unnecessary damage to improvements, timber, crops, or other cover; whenever practicable, to control soil erosion resulting from the operation; to prevent pollution of soil and water resources; unless otherwise authorized by the representative of the Secretary of Agriculture, not to carry on operations, make excavations, construct tunnels, drill, or otherwise disturb the surface of the leased land within 200 feet of any building standing on the leased land; whenever required in writing by the authorized representative of the Secretary of Agriculture, to fence all sump holes and other excavations made by lessee.

(b) Forest, Brush and Grass Fire Precautions. To do all in his power to prevent and suppress forest, brush and grass fires on the leased land and in its vicinity, and to require his employees, contractors, subcontractors, and employees of contractors or subcontractors to do likewise. Unless prevented by circumstances over which he has no control, the lessee shall place his employees, contractors, subcontractors, and employees of contractors and subcontractors employed on the leased land at the disposal of any authorized officer of the Department of Agriculture

1/ All forms herein required are subject to approval by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.
2/ 18 U.S.C. sec. 1001 makes it a crime for any person knowingly and wilfully to submit or cause to be submitted to any agency of the United States any false or fraudulent statement as to any matter within its jurisdiction.

for the purpose of fighting forest, brush, or grass fires, with the understanding that payment for such services shall be made at rates to be determined by the authorized representative of the Secretary of Agriculture, which rates shall not be less than the current rates of pay prevailing in the vicinity for services of a similar character; except that if the lessee, his employees, contractors, subcontractors, or employees of contractors or subcontractors caused or could have prevented the origin or spread of said fire or fires, no payment shall be made for services so rendered.

During periods of serious fire danger to forest, brush, or grass, as may be specified by the authorized representative of the Secretary of Agriculture, the lessee shall prohibit smoking and the building of camp and lunch fires by his employees, contractors, subcontractors and employees of contractors or subcontractors, within the leased area except at established camps, and shall enforce this prohibition by all means within his power. However, the authorized representative of the Secretary of Agriculture may designate safe places where, after all inflammable material has been cleared away, camp fires may be built for the purpose of heating lunches and where, at the option of the lessee, smoking may be permitted.

The lessee shall not burn rubbish, trash, or other inflammable material except with the consent of the authorized representative of the Secretary of Agriculture and shall not use explosives in such manner as to scatter inflammable materials on the surface of the land during the forest, brush or grass fire season, except as authorized to do so or on areas approved by such representative.

The lessee shall build or construct such fire lines or do such clearing on the leased land as the authorized representative of the Secretary of Agriculture decides is necessary for forest, brush, and grass fire prevention and shall maintain such fire tools at his headquarters on the leased land as are deemed necessary by such representative.

(c) Damage to Property. To pay the lessor or its tenant, as the case may be, for any and all damage to or destruction of property caused by the lessee's operations hereunder; to save and hold the lessor or its tenant harmless from all damage or claims for damage to persons or property resulting from the lessee's operations under this lease; and where the surface of the leased land is owned by other than the lessor, to pay such owner, or his tenant, as the case may be, for damage or injury to livestock, crops, trees, pipe lines, buildings, and other improvements on the leased land.

(d) Restoration of Surface of Land. Upon any partial or total relinquishment, cancellation or expiration of this lease, as to that part of the leased land as to which the lessee's rights have terminated and to the extent deemed necessary by the authorized representative of the Secretary of Agriculture, to fill all sump holes, ditches and other excavatopns. re,pve pr epver aj; debris, and so far as reasonably possible, restore the surface of the leased land to its former condition, including the removal of structures as and if required.

(e) Department of Agriculture Regulations. To comply with all the rules and regulations of the Secretary of Agriculture governing the national forests or other lands under his jurisdiction which are embraced in this lease.

(f) Special Stipulations.

X

X

X

(g) Appropriate Agency Official. To address all matters relating to this section to

Forest Supervisor, Nantahala National Forest at Franklin, N. C. who is the authorized representative of the Secretary of Agriculture, or to such other representative as may, from time to time, be designated provided that such designation shall be in writing and be delivered to the lessee or his agent as provided by Section 4 hereof.

SECTION 4. Lessee-Agent. Prior to the beginning of operations the lessee shall appoint and maintain at all times during the term of this lease a local agent upon whom may be served written orders or notices respecting matters contained in this lease, and shall inform the authorized representative of the Secretary of Agriculture, and the District Mining Supervisor of the United States Geological Survey, in writing, of the name and address of such agent. If a substitute agent is appointed, the lessee shall immediately so inform the said representatives.

SECTION 5. Renewal of Lease. If, upon the expiration of this lease, the issuance for an ensuring period of a lease of similar character is determined to be in the public interest, and all of the terms hereof have been satisfactorily complied with, and the lessee is then qualified, he shall be accorded a preference in the issuance of said ensuing lease upon such reasonable terms and considerations as may be prescribed by the Secretary of the Interior, unless otherwise provided by law. The exercise of such preference right shall be in accordance with regulations prescribed by the Secretary of the Interior.

SECTION 6. The lessor expressly reserves:

(a) Rights Reserved. The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the land leased, occupied, or used as may be necessary or appropriate to the working of the same or other lands, and the preparation and shipment of the products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Monopoly and Fair Prices. Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interest of the United States, to prevent monopoly, and to safeguard the public welfare.

(c) Fissionable materials. All fissionable source materials, together with the right, at any and all times, to enter upon the lands and prospect for, mine and remove such materials, pursuant to Executive Order No. 9908 (12 F.R. 8223).

(d) Waiver of Conditions. The right to waive any breach of the covenants and conditions contained herein, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular cause of forfeiture prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

SECTION 7. It is mutually agreed:

(a) Strip Mining. That this lease does not authorize mining or removal of minerals by stripping or contour mining unless otherwise specifically authorized herein.

(b) Reduction or Smelting of Ores. That the reduction or smelting of ores on the leased land is expressly prohibited in the absence of an agreement between the lessee and the designated representative of the Secretary of Agriculture authorizing such use of the surface of the land and providing for the necessary protection of life and property. Such agreement shall contain all of the terms and conditions under which the reduction or smelting of ores may be carried on and any violation of that agreement shall be considered a violation of the terms of this lease for the purpose of Section 9.

(c) Uses and Disposition of Surface. That the leased land shall be subject at all times to any other lawful uses or sale by the United States, its lessees, permittees, licensees, and assigns; provided that such uses or sale shall not prevent, obstruct, or unduly interfere with any privilege granted under this lease.

(d) Granting Leases for Other Minerals. That the granting of this lease will not preclude the issuance of other leases of the same land for the mining of other minerals with suitable stipulations as to joint operations, in order that full development of the mineral resources may be obtained.

SECTION 8. Relinquishment of Lease. Upon payment of all rentals, royalties and other debts due and payable to the lessor and upon payment of all wages or moneys due and payable to the workmen employed by the lessee, the lessee may, upon a satisfactory showing that the public interest will not be impaired, surrender all or any subdivision or subdivisions of the area included in the lease. In no case will the lease be terminated in whole or in part until and unless the lessee shall have made provision for the preservation of any mines and mineral deposits or productive works or permanent improvements on the lands covered thereby and complied with Section 5 (d) hereof. A surrender must be by a relinquishment filed, in triplicate, with the Director, Bureau of Land Management. A relinquishment upon its approval shall take effect as of the date it is filed.

SECTION 9. Removal of Equipment, etc., on Termination of Lease. On termination of this lease, by surrender, forfeiture, or otherwise the lessee shall have the privilege at

any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools and materials, other than underground timbering placed by the lessee in or on the leased lands, which are not necessary for the preservation of the mine. Any materials, tools, appliances, machinery, structures and equipment, subject to removal as above provided, which are allowed to remain on the leased land shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted by the lessor, but the lessee shall remove any or all of such property when so directed by the lessor.

SECTION 10. Proceedings in case of default. If the lessee does not comply with the applicable regulations made a part hereof or the terms of this lease and such default continues for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Director, Bureau of Land Management. However, if production has commenced on the lease, it may be canceled only by appropriate proceedings in a court of competent jurisdiction; but this provision does not apply to leases issued for a period of five years or less which may be canceled in the manner stated above. Furthermore, if the lessee fails to take prompt and necessary steps to prevent loss or damage to the mine, property, or premises, or danger to the employees, the lessor may enter on the premises and take such measures as may be deemed necessary to prevent such loss or damage or to correct the dangerous or unsafe condition of the mine or works thereof, which shall be at the expense of the lessee, but the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

SECTION 11. Heirs and successors-in-interest. It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SECTION 12. Unlawful Interests. It is also further agreed that no Member of, or Delegate to Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior or of the Department of Agriculture shall be admitted to any share or part of this lease, or derive any benefit that may arise therefrom, and the provisions of Section 3741 of the Revised Statutes, as amended, and 18 U.S.C. 431, 432, and 433, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

THE UNITED STATES OF AMERICA

By Assistant Director, Bureau of Land Management.
Director, Bureau of Land Management.

WITNESSES TO SIGNATURE OF LESSEE

J. H. Stockton

John W. Edwards

P. H. Pitts

H. L. Stewart

Bill Younce
Lessee.

(The reporting requirements contained in this lease have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942. If this lease is executed by a corporation, it must bear the corporate seal.)