DMEA-2850 Mica Region VII	CLAY W. WATKINS, HENDERSONVILLE, NORTH CAROLINA. Margaret Smith Mica Mine, Yancey County, North Carolina. Field Report recommending denial. The report was referred to the Commodity Group.	183 2-27-53
DMEA-2850 Mica Region VII	CLAY W. WATKINS, HENDERSONVILLE, NORTH CAROLINA. Margaret P. Smith Tract No. 1, Yancey County, North Carolina. Letter to the applicant denying the application.	3-4-53

February 27, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A closing review of Docket No. DMEA-2350 - Mica
Contract: None - a denial.
Property: Margaret P. Smith
Tract No. 1, 1.8 airline miles
N. 70° E. of Burnsville
Yancey County, North Carolina
Applicant: Clay W. Watkins, Lessee
913 Oakland Drive
Hendersonville, North Carolina
Amount applied for $3,000.00

Closing Letter: Attached hereto is copy of letter denying application for exploration assistance.

Docket Summary:

1/14/53	Application received from Region VII.
1/14/53	Application acknowledged.
2/6/53	Referred to Region VII for field examination.
2/18/53	Field Team Report of Examination. Report made by Keften H. Teague, USGS, and Lawrence E. Shirley, USBM.
_____	Letter of denial sent to applicant.

Resume:

The field team report states: "There is no evidence that a worthwhile deposit of strategic mica occurs, thus the application for exploration assistance should be denied.....A few small holes have been dug along and on the east side of a low ridge. All of the openings except one expose green mica. The opening which exposes ruby mica is only about four feet deep and contains only mica of scrap sizes. No further consideration should be given this application for exploration assistance."

Comment:

In view of the adverse field team report, the Nonmetallic Minerals Division recommends a denial of this application for exploration assistance.

Jasper T. Robertson
Nonmetallic Minerals Division

Attachment

JTRobertson:gad 2/27/53

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

6 0

MAR 4 1953

Mr. Clay . Atkins
123 National Drive
Asheville, North Carolina

Re: Docket No. [illegible] - Mica
Margaret A. Smith Grant No. 1
Yancey County, North Carolina

Dear Mr. Atkins:

Your application for aid for an exploration project and other reports available to us in Washington concerning the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding material 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 lease, 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 the property to our attention.

Sincerely yours,

U. O. Mittendorf

Administrator

JTRobertson:gad 2/27/53
Copy to: Admr. .. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Norton, 0-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Hook

IN REPLY REFER TO:
G-MD-GMK

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

February 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2850 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Clay W. Watkins, 913 Oakland Drive, Hendersonville, N. C.
Name of property: Margaret P. Smith Tract No. 1.
Location of property: In Sugar Hollow, 1.8 airline miles N. 70° E. of Burnsville, Yancey County, North Carolina.
Date of field team report: February 18, 1953.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation: Denial.
Comments: None.
ACTION SUGGESTED: Follow field team's recommendation.

R. E. Van Alstine

Van Alstine:jeh
G-2/27/53-
cc: Director's reading 4212
Branch reading 4212
DMEA
files G-228
Van Alstine G-230

FEB 6 1953

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

Subject: Docket No. [illegible]350 - Mica
Margaret Smith Mica Mine
Yancey County, North Carolina

Dear Mr. Laurence:

A field team examination is requested for the subject exploration assistance application.

Please find enclosed for your file, and information, copies of memoranda pertaining to the application by W. A. Dietrich, USGS, and J. J. Norton, USGS.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

JTRobertson:gad 2/5/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2850, MARGARET P. SMITH TRACT No. 1
(Mica)
Y ancey County, N. C.

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

-

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

-

February 18, 1953

Reviewed by
DMEA OPERATING COMMITTEE
2-27-53
(date)

Field Examination Report
on
MARGARET P. SMITH TRACT No. 1

DMEA-2850 (Mica)
Applicant: Clay W. Watkins, 913 Oakland Drive, Hendersonville, N. C.

There is no evidence at this place that a worthwhile deposit of strategic mica occurs, thus the application for exploration assistance should be denied.

This property was examined on February 11, 1953. Mr. B. G. Woody accompanied the field examiners on the examination which required one hour.

The Margaret P. Smith property is in Sugar Hollow, 1.8 air-line miles N. 70° E., of Burnsville, Yancey County, N. C. Access to the property is good. These prospects are on the same property as the application for beryl exploration, DMEA-2849.

A few small holes have been dug along and on the east side of a low ridge. All of the openings except one expose green mica. The opening which exposes ruby mica is only about four feet deep and contains only mica of scrap sizes.

No further consideration should be given this application for exploration assistance.

February 18, 1953.

K. H. Teague, USGS

L. R. Shirley, USBM

zm

610

FEB 6 1953

Mr. Clay W. Watkins
13 Oakland Drive
Hendersonville, North Carolina

Subject: Docket No. DMA-2350 - Mica
Margaret Smith Mica Mine
Yancey County, North Carolina

Dear Mr. Watkins:

Your application for assistance in exploring the Margaret Smith property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee for a field examination.

The regional office will contact you at an early date in regard to the examination of your property. Any assistance that you may give the members of the field team in the examination will be appreciated.

Sincerely yours,

C. O. Mittenderf

Administrator

JTheberton:gad 2/4/53

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

MF-103
(Rev. ed April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration
RECEIVED
JAN 14 1953

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

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

Not to be filled in by applicant

Docket No. DMEA-2850
Metal or Mineral
Date Received 1/14/53
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:

Clay W. Watkins
913 Oakland Drive, Hendersonville, North Carolina

(*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

Land- 300 acres in Yancey County, N. C. -owned by Margaret P. Smith
Land- 60½ acres in Yancey County, N. C.-owned by Margaret P. Smith
For legal description see copy of lease attached hereto.

(*b*) State any mine name by which the property is known. None.

(*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

Do not own.

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

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

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

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

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

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

16—66551-1

See 4. attached heroto.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you will 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 60 days and be completed within 6 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 January 5th., 1953, 195 3

Clay W. Watkins
(Applicant)
Clay W. Watkins

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

Margaret P. Smith lease

Application- mf-103

Clay W. Watkins
Hendersonville, North
Carolina.

4.

a- no exploration or mining operations on the property at present.

b- no production.

c- a strike is apparent. — it is an imbedded vein- flint and feldspar structure. — the strategic mica is of the Ruby type. — a sample has been submitted to the Government Depot at Spruce Pine, and approved for acceptance.

d- this property is located about three miles east of Burnsville, and about one-half mile off a hard surfaced road. —product will be truck hauled to Micaville-5 miles- or to Spruce Pine-14 miles, for processing or splitting.

e- plenty of manpower is available. — materials, supplies and equipment are readily obtainable. — water and electric power are available.

5.

a- strategic mica.

b- see map and data attached hereto.

c- will start work within 60 days and expect to complete within 6 months from date of exploration project contract.

d- Applicant has had more than 20 years experience in minerals mining and is thoroughly familiar with the methods prevailing in this area.
also expect to hire only experienced foremen and workmen whom he knows in this section.

Margaret P. Smith
(mica lease)

Application- mf -103
Clay W. Watkins
Hendersonville, N. C.

6.

a- no independent contracts.

b- one foreman	$ 1.50 per hour-30 days-8hour day	$ 360.
three workmen	$ 1.00 per hour-30 days-8hour day	720.
supervision and engineering	$ 20.00 per day	600.
c- shovels, picks, mattocks and small tools		50.
wheelbarrow		20.
dynamite and caps		100.
bits and drilling steel		150.
d- air compressor and jack hammer		3,000.
hoist		2,000.
water pump and pipes		400.
e- none.		
f- toolhouse		60.
dynamite storage house		20.
dynamite caps storage house		20.
g- maintenance of equipment and use	$ 10. per day	300.
insurance and payroll taxes		50.
h- contingencies		150.
	Total	$ 8,000.

7.

a- Yes

b- Money- ten per cent or $ 800.—
in addition, applicant expects to devote full time to overseeing operations.

Spruce Pine, N. C.

January 7, 1953

Mr. Clay W. Watkins,
913 Oakland Drive,
Hendersonville, N. C.

Dear Mr. Watkins-

We are in receipt of samples of Mica from the Margaret P. Smith Mine, also samples of Beryl from this same mine. We are pleased to advise that this Mica with proper preparation will be acceptable under the present mica purchasing program.

Yours very truly,

W. S. Flynt, Superintendent
Spruce Pine Mica Depot

WSF:mpb

DM

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. DMEA-2850

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

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

To:	Code 600 Rm 4637	Date	1/14/53
To:	Robertson	Date	1/19/53
To:	Open Case	Date	2-6-53
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	
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To:		Date	
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To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

FILE COPY
SURNAME:

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

600

Robertson
Hook
Van Alstine
Dyhook
Heckard
Lemmon
Selfridge

MAR 4 1953

BW

Mr. Clay W. Watkins
913 Oakland Drive
Hendersonville, North Carolina

Re: Docket No. DMEA-2830 - Mica
Margaret P. Smith Tract No. 1
Yancey County, North Carolina

Dear Mr. Watkins:

Your application for aid for an exploration project and other reports available to us in Washington concerning the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding material 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 lease, 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 the property to our attention.

Sincerely yours,

C. O. Mittendorf (for) P.N.
3/4/53

Administrator

JTRobertson:gad 2/27/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Norton, G-232 GSA Bldg.
Mr. Dietrich, 3526
Mr. Hook

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

February 27, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A closing review of Docket No. DMEA-2850 - Mica
Contract: None - a denial.
Property: Margaret P. Smith
Tract No. 1, 1.8 airline miles
N. 70° E. of Burnsville
Yancey County, North Carolina
Applicant: Clay W. Watkins, Lessee
913 Oakland Drive
Hendersonville, North Carolina
Amount applied for $8,000.00

Closing Letter: Attached hereto is copy of letter denying application for exploration assistance.

Docket Summary:

1/14/53	Application received from Region VII.
1/14/53	Application acknowledged.
2/6/53	Referred to Region VII for field examination.
2/18/53	Field Team Report of Examination. Report made by Kefton H. Teague, USGS, and Lawrence E. Shirley, USBM.
_____	Letter of denial sent to applicant.

Resume:

The field team report states: "There is no evidence that a worthwhile deposit of strategic mica occurs, thus the application for exploration assistance should be denied.....A few small holes have been dug along and on the east side of a low ridge. All of the openings except one expose green mica. The opening which exposes ruby mica is only about four feet deep and contains only mica of scrap sizes. No further consideration should be given this application for exploration assistance."

Comment:

In view of the adverse field team report, the Nonmetallic Minerals Division recommends a denial of this application for exploration assistance.

Jasper T. Robertson

Jasper T. Robertson
Nonmetallic Minerals Division

Attachment

FILE COPY
SURNAME:

Roberts
North
Dulmit

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

February 27, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A closing review of Docket No. DMEA-2850 - Mica
Contract: None - a denial.
Property: Margaret P. Smith
Tract No. 1, 1.8 airline miles
N. 70° E. of Burnsville
Yancey County, North Carolina
Applicant: Clay W. Watkins, Lessee
913 Oakland Drive
Hendersonville, North Carolina
Amount applied for $8,000.00

Closing Letter: Attached hereto is copy of letter denying application for exploration assistance.

Docket Summary:

1/14/53 Application received from Region VII.
1/14/53 Application acknowledged.
2/6/53 Referred to Region VII for field examination.
2/18/53 Field Team Report of Examination. Report made by Kefton H. Teague, USGS, and Lawrence E. Shirley, USBM.
_____ Letter of denial sent to applicant.

Resume:

The field team report states: "There is no evidence that a worthwhile deposit of strategic mica occurs, thus the application for exploration assistance should be denied.....A few small holes have been dug along and on the east side of a low ridge. All of the openings except one expose green mica. The opening which exposes ruby mica is only about four feet deep and contains only mica of scrap sizes. No further consideration should be given this application for exploration assistance."

Comment:

In view of the adverse field team report, the Nonmetallic Minerals Division recommends a denial of this application for exploration assistance.

Jasper T. Robertson
Nonmetallic Minerals Division

Attachment

JTRobertson:gad 2/27/53

Copy to: Admr. 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.

February 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2850 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: R. E. Van Alstine, U. S. Geological Survey
Applicant: Clay W. Watkins, 913 Oakland Drive, Hendersonville, N. C.
Name of property: Margaret P. Smith Tract No. 1.
Location of property: In Sugar Hollow, 1.8 airline miles N. 70° E. of Burnsville, Yancey County, North Carolina.
Date of field team report: February 18, 1953.
Authorship of field team report: K. H. Teague and L. E. Shirley.
Field team's recommendation: Denial.
Comments: None.
ACTION SUGGESTED: Follow field team's recommendation.

R. E. Van Alstine

R. E. Van Alstine

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

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

February 19, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, DMEA-Region 7 - Knoxville

Subject: Field Examination Reports on: DMEA-2850, Margaret P. Smith (Mica)
DMEA-2851, ~~Style~~-Fouts Mine (mica)
Style-

Transmitted herewith are three copies each of the above subject examination reports.

The Field Team concurs in the denial of both these applications.

Robert A. Laurence

Robert A. Laurence
Executive Officer, DMEA
Region 7

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

Reviewed by
DMEA OPERATING COMMITTEE
2-27-53
(Date)

Mr. Robertson

Sch
3/2/53

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

DMEA-2850, MARGARET P. SMITH TRACT No. 1
(Mica)
Y ancey County, N. C.

By
Kefton H. Teague, Geologist
U. S. Geological Survey
-
-
Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

-

February 18, 1953

Reviewed by
DMEA OPERATING COMMITTEE

2-27-53
(date)

Field Examination Report
on
MARGARET P. SMITH TRACT No. 1

DMEA-2850 (Mica)
Applicant: Clay W. Watkins, 913 Oakland Drive,
Hendersonville, N. C.

There is no evidence at this place that a worthwhile deposit of strategic mica occurs, thus the application for exploration assistance should be denied.

This property was examined on February 11, 1953. Mr. B. G. Woody accompanied the field examiners on the examination which required one hour.

The Margaret P. Smith property is in Sugar Hollow, 1.8 air-line miles N. 70° E., of Burnsville, Yancey County, N. C. Access to the property is good. These prospects are on the same property as the application for beryl exploration, DMEA-2849.

A few small holes have been dug along and on the east side of a low ridge. All of the openings except one expose green mica. The opening which exposes ruby mica is only about four feet deep and contains only mica of scrap sizes.

No further consideration should be given this application for exploration assistance.

February 18, 1953.

K. H. Teague, USGS

L. E. Shirley, USBM

zm

FILE COPY
SURNAME:

Robertson
Houk
Selfridge

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 Building
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2350 - Mica
Margaret Smith Mica Mine
Yancey County, North Carolina

Dear Mr. Laurence:

A field team examination is requested for the subject exploration assistance application.

Please find enclosed for your file, and information, copies of memoranda pertaining to the application by W. F. Dietrich, USBM, and J. J. Norton, USGS.

Sincerely yours,

J. C. 2/6/53

George C. Selfridge (GVB)

Chairman, Operating Committee

Approved:

J. H. Hedges (GVB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (GVB)

Member, Geological Survey

Enclosures 2

JTRobertson:gad 2/5/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

Robertson
Hook
Selfridge

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

FEB 6 1953

Mr. Clay W. Watkins
913 Oakland Drive
Hendersonville, North Carolina

Subject: Docket No. DMEA-2850 - Miss Margaret Smith Mica Mine
Yancey County, North Carolina

Dear Mr. Watkins:

Your application for assistance in exploring the Margaret Smith Property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for a field examination.

J.C. 2/6/53

The Regional Office will contact you at an early date in regard to the examination of your property. Any assistance that you may give the members of the field team in the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

JTRobertson:gmd 2/4/53

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
JAN 30 1953

January 29, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2850, Mica, Clay W. Watkins' Prospect, Yancey 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

FILE COPY
SURNAME:

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

Mr. Robertson

JAN 23 1953

Mr. Robert A. Laurence,
Executive Officer,
Region VII
Post Office Building,
Knoxville, Tennessee

Dear Mr. Laurence:

Reference is made to your memorandum dated January 21, 1953, addressed to Mr. Houk, regarding the applications from Clay W. Williams, Hendersonville, N.C. L. C. 1/23/53

The number assigned to each lease is listed below:

1. Lease from Margaret P. Smith (mica) 2850
2. Lease from Margaret P. Smith (beryl) 2849
3. Lease from Frances M. Hamrick, Dover R. Fouts and wife Madge Fouts (mica) 2851
4. Lease from John and Lora Randolph (mica) 2852

Sincerely yours,
ROBERT E. ADAMS

Chief, Operation Control
and Statistics Division

REAdams/cc

CC: Docket 2850
Docket 2849
docket 2851
docket 2852
Adm. Reading File

RW.

IN REPLY REFER TO:

G-MD-CNM

Mr. Robertson

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

January 16, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

Memorandum

REVIEW OF APPLICATION DMEA-2850 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: J. J. Norton, U. S. Geological Survey.
Applicant: Clay W. Watkins, 913 Oakland Drive, Henderson, North Carolina.
Name of property: None (Margaret P. Smith mine? See letter from Spruce Pine depot.)
Location of property: Two properties in Yancey County, North Carolina.
Estimated cost of project: $8,000.00
Summary of applicant's proposal: Not stated.
Sources of information on applicant's property: None.
This pegmatite is in an area containing several deposits, and possibly we have data on it under a name not reported by the applicant.
Comments: See DMEA applications ~~2849~~ 2850, 2851, and 2852.
RECOMMENDATION:
Field examination.

R. E. Van Alstine
for J. J. Norton

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

January 14, 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-2850 Watkins, Clay W.

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 14, 1953

Mr. Clay W. Watkins
913 Oakland Drive
Hendersonville, N. C.

Subject: DMEA-2850
Re: Exploration Assistance

My dear Mr. Watkins:

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-2850 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2850 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 BLDG.
KNOXVILLE 2, TENN.

January 12, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 14 1953

To: Operating Committee, D M E A - Washington

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

Subject: Three Applications - Clay W. Watkins, (mica)

Transmitted herewith are 3 applications of Clay W. Watkins, Hendersonville, N. C., for DMEA assistance in exploring three mica deposits in Yancey County, North Carolina as follows:

Margaret P. Smith, Lease
3 copies of application
Signed copy of lease
5 copies of Owner's Consent to Lien

~~John and Lora Randolph, Lease~~
~~3 copies of application~~
~~Unsigned copy of lease~~
~~5 copies of Owner's Consent to Lien~~

~~Frances M. Hamrick, Dover R. Fouts and wife,~~ Madge Fouts Lease
~~3 copies of application~~
~~Unsigned copy of lease~~
~~5 copies of Owner's Consent to Lien~~

The fourth copy of each of the applications is being retained in this office.

Benjamin Gildersleeve
Benjamin Gildersleeve

GENERAL SERVICES ADMINISTRATION

Spruce Pine, N. C.

January 7, 1953

Mr. Clay W. Watkins,
913 Oakland Drive,
Hendersonville, N. C.

Dear Mr. Watkins-

We are in receipt of samples of Mica from the Margaret P. Smith Mine, also samples of Beryl from this same mine. We are pleased to advise that this Mica with proper preparation will be acceptable under the present mica purchasing program.

Yours very truly,

W. S. Flynt, Superintendent
Spruce Pine Mica Depot

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 14 1953

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-2850
Metal or Mineral
Date Received 1/14/53
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:

Clay W. Watkins
913 Oakland Drive, Hendersonville, North Carolina

(*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

Land- 300 acres in Yancey County, N. C. -owned by Margaret P. Smith
Land- 60½ acres in Yancey County, N. C.-owned by Margaret P. Smith
For legal description see copy of lease attached hereto.

(*b*) State any mine name by which the property is known. None.

(*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

Do not own.

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

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

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

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

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

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

16—66551-1

See 4. attached hereto.

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 60 days and be completed within 6 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 January 5th., 1953, 195 3

Clay W. Watkins
(Applicant)
Clay W. Watkins

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

Margaret P. Smith lease

Application- mf-103

Clay W. Watkins
Hendersonville, North
Carolina.

4.

a- no exploration or mining operations on the property at present.

b- no production.

c- a strike is apparent. - it is an imbedded vein- flint and feldspar structure. - the strategic mica is of the Ruby type. - a sample has been submitted to the Government Depot at Spruce Pine, and approved for acceptance.

d- this property is located about three miles east of Burnsville, and about one-half mile off a hard surfaced road. - product will be truck hauled to Micaville-5 miles- or to Spruce Pine-14 miles, for processing or splitting.

e- plenty of manpower is available. - materials, supplies and equipment are readily obtainable. - water and electric power are available.

5.

a- strategic mica.

b- see map and data attached hereto.

c- will start work within 60 days and expect to complete within 6 months from date of exploration project contract.

d- Applicant has had more than 20 years experience in minerals mining and is thoroughly familiar with the methods prevailing in this area.
also expect to hire only experienced foremen and workmen whom he knows in this section.

Margaret P. Smith
(mica lease)

Application- mf -103
Clay W. Watkins
Hendersonville, N. C.

6.

a- no independent contracts.

b- one foreman	$ 1.50 per hour-30 days-8hour day	$ 360.
three workmen	$ 1.00 per hour-30 days-8hour day	720.
supervision and engineering	$ 20.00 per day	600.
c- shovels, picks, mattocks and small tools		50.
wheelbarrow		20.
dynamite and caps		100.
bits and drilling steel		150.
d- air compressor and jack hammer		3,000.
hoist		2,000.
water pump and pipes		400.
e- none.		
f- toolhouse		60.
dynamite storage house		20.
dynamite caps storage house		20.
g- maintenance of equipment and use	$ 10. per day	300.
insurance and payroll taxes		50.
h- contingencies		150.
	Total	$ 8,000.

7.

a- Yes

b- Money- ten per cent or $ 800.—
in addition, applicant expects to devote full time to overseeing operations.

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 Yancey, described as follows: 1/ Those certain tracts or parcels of land belonging to Margaret P. Smith situate and lying in Burnsville Township, Yancey County, N.C., and East of Burnsville, N. C., and being 300 acres described in deed recorded in Deed Book 39, at Page 224, and 60½ acres described in deed recorded in Deed Book 50, at Page 81, excepting several small tracts conveyed to various parties.
Land sold to Harris, mineral rights excepted by Margaret Smith.

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/ Clay W. Watkins
913 Oakland Drive, Hendersonville, North Carolina.

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/$ 10,000., 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 5th. day of January, 195 3.

Margaret P. Smith [Seal] Margaret P. Smith

[Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, ~~or seller~~ has an interest in certain property in the State of North Carolina, County of Yancey, described as follows: 1/ Those certain tracts or parcels of land belonging to Margaret P. Smith situate and lying in Burnsville Township, Yancey County, N.C., and East of Burnsville, N. C., and being 300 acres described in deed recorded in Deed Book 39, at Page 224, and 60½ acres described in deed recorded in Deed Book 50, at Page 81, excepting several small tracts conveyed to various parties.
Land sold to Harris, mineral rights excepted by Margaret Smith.

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/ Clay W. Watkins
913 Oakland Drive, Hendersonville, North Carolina.

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/$ 10,000., 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 5th. day of January, 1953.

Margaret P. Smith [Seal] Margaret P. Smith

_____ [Seal]

_____ [Seal]

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

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

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RELEVANT CONTRACT PROVISIONS

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

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(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.

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MF-203

OWNER'S CONSENT TO LIEN

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Land sold to Harris, mineral rights excepted by Margaret Smith.

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/ Clay W. Watkins

913 Oakland Drive, Hendersonville, North Carolina.

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/$ 10,000., 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 5th. day of January, 195 3.

Margaret P. Smith [Seal] Margaret P. Smith

[Seal]

[Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, ~~or seller~~ has an interest in certain property in the State of North Carolina, County of Yancey, described as follows: 1/ Those certain tracts or parcels of land belonging to Margaret P. Smith situate and lying in Burnsville Township, Yancey County, N.C., East of Burnsville, N. C., and being 300 acres described in deed re~~corded in Deed Book 39, at Page 224, and 60½ acres described in deed re~~corded in Deed Book 50, at Page 81, excepting several small tracts con~~veyed to various parties.~~

Land sold to Harris, mineral rights excepted by Margaret Smith.

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/ Clay W. Watkins

913 Oakland Drive, Hendersonville, North Carolina.

hereinafter called the "Operator"; and

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

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

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Dated this 5th day of January, 195 3.

Margaret P. Smith [Seal]

[Seal]

[Seal]

Margaret P. Smith

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Dated this 5th. day of January, 195 3.

Margaret P. Smith [Seal] Margaret P. Smith

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STATE OF NORTH CAROLINA :
: MINING MINERAL LEASE
COUNTY OF BUNCOMBE :

THIS INDENTURE, CONTRACT and AGREEMENT OF LEASE made and entered into this 27th day of March, 1951, by and between MARGARET SMITH, unmarried, of Buncombe County, North Carolina, hereinafter designated Lessor, and CLAY W. WATKINS, of Henderson County, North Carolina, hereinafter designated Lessee:

WITNESSETH:

WHEREAS, the Lessor is sole owner and seized in fee of the real property hereinafter described, and has and does hereby lease and let unto Lessee for the consideration appearing and expressly for the royalties hereinafter set forth sole and exclusive mining and mineral rights in and to said real property; and

WHEREAS the royalties agreed upon and to be paid by Lessee unto Lessor upon mineral extracted from said lands and premises are as follows:

Feldspar	A royalty of	.35 per ton
Mica	A royalty of	10% of gross sales price
Galena	A royalty of	5% of gross sales price
Silver	A royalty of	10% of gross sales price
Gold	A royalty of	$6.00 an oz.
Uranium	A royalty of	10% of gross sales price
Beryl	A royalty of	$5.00 per ton
As bestos	A royalty of	$2.00 per ton
Talc	A royalty of	5% of gross sales price
Chrome	A royalty of	5% of gross sales price
Barite	A royalty of	5% of gross sales price
Monazite	A royalty of	$1.00 per ton
Cobalt	A royalty of	5% of gross sales price
Columbite	A royalty of	6% of gross sales price
Kaolin	A royalty of	.50 per ton
Vermiculite	A royalty of	6% of gross sales price
Topaz	A royalty of	$2.50 per ton

If the Lessee deems it profitable to sell certain grades of feldspar to the dental trade, the Lessee agrees to pay Lessor $2.00 per ton royalty. All other feldspar mentioned in this Lease carries a royalty of only Thirty-Five ($.35) Cents per ton. All semi-precious jewel stones mined and sold from said mining property will carry a royalty of 10% gross sale to the Lessor.

WHEREAS, Lessee desires to prospect for minerals on the hereinafter described property and if minerals are found thereon in commercial quantities does desire, intend and bind himself, his heirs, representatives and assigns to mine, extract, process and sell the same.

NOW, THEREFORE, for and in consideration of the sum of One Dollar paid by Lessee to Lessor, receipt of which is hereby fully acknowledged, and in further consideration of the promises, agreements, terms and stipulations hereinafter set forth, Lessor and Lessee do contract and agree as follows:

1. Lessor does hereby grant, demise and lease to the Lessee the property hereinafter described, including the mines, minerals and ore bodies therein contained and such part of the surface of said property as may be necessary for efficient mining, for the purpose of prospecting for, mining, milling, reducing, treating and preparing all minerals if any be found in commercial quantities therein.

2. The property subject to this mineral lease is located near Burnsville, in Yancey County, North Carolina, and is more particularly bounded and described as follows:

Those certain tracts or parcels of land belonging to the said Margaret P. Smith situate and lying in Burnsville Township, Yancey County, N. C., East of Burnsville, N. C., and being the lands described in Deed Books 50, at page 81, and Book 39, at page 224. These deeds called for 300 acres in the deed in Book 39, at page 224, and for 60½ acres in Deed Book 50, at page 81, but since Margaret P. Smith came into possession of these lands she has conveyed several small tracts to various parties, it is understood and agreed to by all parties that the said Margaret P. Smith is only leasing the lands she now owns in fee.

Land sold to Harris, mineral rights excepted by Margaret Smith.

3. The term of this lease shall be ten (10) years from and after the date of these presents, and Lessee is hereby expressly granted, for the benefit of himself, his heirs and assigns, sole and exclusive option to renew said lease for an additional ten (10) years at the end of the original leasehold period on the basis of standard royalty rates then prevailing, but otherwise on the terms and conditions herein appearing, provided Lessee notifies Lessor of his intention to renew said lease more than six (6) months prior to the terminal date thereof, and provided further that at the time said renewal notice is given minerals are being extracted from the leased premises in commercial quantities. This lease may be earlier terminated however, in the manner set forth in Paragraph 4 hereof.

4. Lessee, his heirs and assigns shall have a period not exceeding three (3) years from and after the date hereof in which to prospect for minerals upon the leased premises, during which period, Lessee shall pay no rent or royalties to Lessor. During said prospecting period, Lessee shall extract and remove only such quantities of minerals as are reasonably necessary for prospecting, exploration, testing and analysis, and said prospecting period shall automatically and immediately terminate on the date Lessee commences extracting and removing from the leased premises minerals in commercial quantities.

In the event Lessee, his heirs or assigns do not find minerals in commercial quantities upon the leased premises, Lessor shall forthwith be notified of said fact and this lease shall automatically terminate.

In the event Lessee, his heirs or assigns, after said prospecting aforesaid but during the period of this leasehold, discontinues mining operations for more than ninety (90) days, Lessor, at her option, may notify Lessee, his heirs or assigns to forthwith renew his mining operations; and unless Lessee does renew said mining operations within thirty (30) days after such notice, this lease shall automatically terminate and Lessor may re-enter said premises and take possession thereof without prejudice to any other rights Lessor may have by reason of these presents.

5. As consideration for the prospecting period of lease granted to Lessee by Paragraph 4 hereof, Lessee contracts and agrees to bear all expense involved in the thorough prospecting, testing and development of the extent and quality of any ore or mineral occurring on said property in commercial quantities, and shall render written report of such findings to Lessor upon the completion of said prospecting period and such payment of prospecting expenses borne by Lessee shall also constitute full and reasonable compensation for continuance of this lease in full force and effect forthe period stated, provided all royalties are paid in the manner and at the time set forth herein.

6. On or before the 19th day of the month succeeding the month during which minerals are mined, Lessee shall render to Lessor a statement showing the kind, quantity and quality of mineral so mined. On or before the 19th day of the month succeeding the month during which said minerals are sold, Lessee shall furnish Lessor with a statement showing the kind, quantity and quality of minerals so sold. On or before the 19th day of the month succeeding the month in which minerals are removed from the leased premises, Lessee shall render to Lessor a statement showing the kind, quantity and quality of minerals so removed from the leased premises and the amount of royalties due thereon. Lessor or Lessor's duly authorized representative shall have the right to examine Lessee's books to verify correctness of any account or statement rendered as aforesaid, but acceptance by Lessor of royalty payments shall be construed as acquiescence in the correctness of statement and account rendered and as settlement of all royalties due under the statement covered by the particular payment.

7. Lessee shall have exclusive right of possession of the described property during the time mining operations are conducted by Lessee thereon, but Lessor shall have the right at any reasonable time or times and without notice to visit and inspect said mining operations and said property.

8. Lessee shall have full right of ingress and egress to and from said property, with the right to construct, maintain and use roads, tramways, railroads, siding, chutes, hydraulic flumes and water, and rights-of-way on and over said property. Lessee shall also be privileged to locate living quarters, construct and maintain on said premises shops, plants, machinery and equipment for mining and milling any ores or minerals that may be extracted therefrom. All equipment, tools, machinery, structures, improvements and personal property brought or placed upon said premises by the Lessee shall not become fixtures but shall remain the property of the Lessee, who shall have the right to remove the same from the property within the six months succeeding the expiration of this lease or from the date on which Lessee shall cease to operate said property as a mine, provided royalties have been paid in full.

Lessor covenants and agrees with the Lessee that the property above described is free of liens and encumbrances of every kind and character and Lessor will warrant and defend said premises to the Lessee against all claims and demands of all persons. Lessee agrees to keep said premises and every part thereof free and clear of all mechanics, miners and other labor liens and encumbrances and to save the Lessor or Lessors harmless from all damages, claims or other actions incident to mining or processing minerals within the boundaries of the above described property. Lessee will provide workman's compensation insurance so as to protect the interest of the Lessor from the lien of any judgment that may be obtained in any action brought by reason of the injury to any workman in and about the operations of the Lessee upon said premises.

10. At the expiration of the leasehold period, or upon the earlier termination thereof, Lessee shall not be obligated to restore the premises to the same condition they were in at the inception of said leasehold period, but Lessee does covenant for himself, his heirs and assigns at said time, but only if requested so

to do by Lessor, to smooth over by bulldozer any surface mining site or sites situated upon the leased premises, and to block up, seal off and close any tunnel or shaft opening to any subteranean mining works.

11. Upon termination of this lease for any cause, Lessee shall cease to be a tenant hereunder and shall not be liable for loss or injury suffered after such termination by Lessor or by any third person on the premises as a result of or as an incident to the mining of the above described property during the term of this lease.

12. Lessor agrees that Lessee may remove such topsoil, timber, fences and any and all other obstructions which may in any way impede the Lessee in the mining, extraction, storying or removal of minerals from the above described property.

13. The Lessee shall pay the Lessor for any damage to crops and will pay stumpage value of all timber cut.

14. Lessor covenants and agrees to pay all municipal, county, state and federal taxes promptly as the same become due, and to allow no liens to accrue thereby against the described property.

15. Lessee covenants and agrees to mine the described property in minerlike fashion and to operate any mine or mines opened upon the described property in accordance with stipulated and approved modern mining techniques; and once commenced, weather and other casualty permitting, to continue said mining operations without interruption.

16. It is understood and agreed and accepted as a condition of this lease that in the event of default by Lessee in any one or more of the terms, covenants and conditions set forth in this lease, Lessor may, at her option at anytime before said default is cured, notify Lessee in writing by registered mail directed to Lessee's last known address to cure or make good said default within sixty (60) days in the manner and method set forth

in said notice; and in the event Lessee fails, neglects or refuses to comply with said notice and the directions therein contained within said sixty (60) days period, Lessor may at her option declare this lease breached, and the same shall be thence forth null and void, of no further force and effect and all rights accruing to Lessee hereunder and all interests of Lessee in the described property shall immediately cease and terminate, all without prejudice to any legal redress available to Lessee by virtue of this lease.

17. Lessee, individually, is hereby expressly authorized and empowered to assign or sell the within lease and/or sublet the leased premises to any reputable and responsible person, firm or corporation ready, willing and able to engage in mining operations upon the leased premises pursuant to the terms and conditions hereof, and Lessee does expressly covenant and agree that in the event of such assignment or sale or subletting, to immediately notify Lessor thereof by delivering to Lessor a copy of any such assignment or sale or sub-lease. Assignment of this lease or sale or sub-letting of the leased premises by Lessee shall not relieve Lessee of his personal liability for faithful performance by him or his assigns of each and all of the terms,covenants and conditions hereof. Lessee's assignee or sub-lessee shall render accounting and make settlement pursuant to Paragraph 6 of this lease directly with Lessor, and shall mail all royalty checks to Lessor by registered mail directed to Miss Margaret Smith, 40 Courtland Avenue, Asheville, North Carolina, until otherwise directed by Lessor. Lessee's assignee and sub-lessee is hereby expressly denied the right to reassign the within lease or sub-let any part or portion of the leased premises, but otherwise Lessee's assignee or sub-lessee shall acquire by assignment or sub-lease all of the rights, powers and privileges and shall be bound by the terms, covenants and conditions hereof and subject to the limitations, restrictions and liabilities hereby imposed upon Lessee.

18. This lease shall be binding upon and shall inure to the benefit of the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto set their hands and seals and caused this Mining Mineral Lease to be executed in duplicate originals, this the day and year first above written.

Margaret Lee Estate (SEAL)
Lessor

Delaney D. Walker (SEAL)
Lessee

STATE OF NORTH CAROLINA

COUNTY OF BUNCOMBE

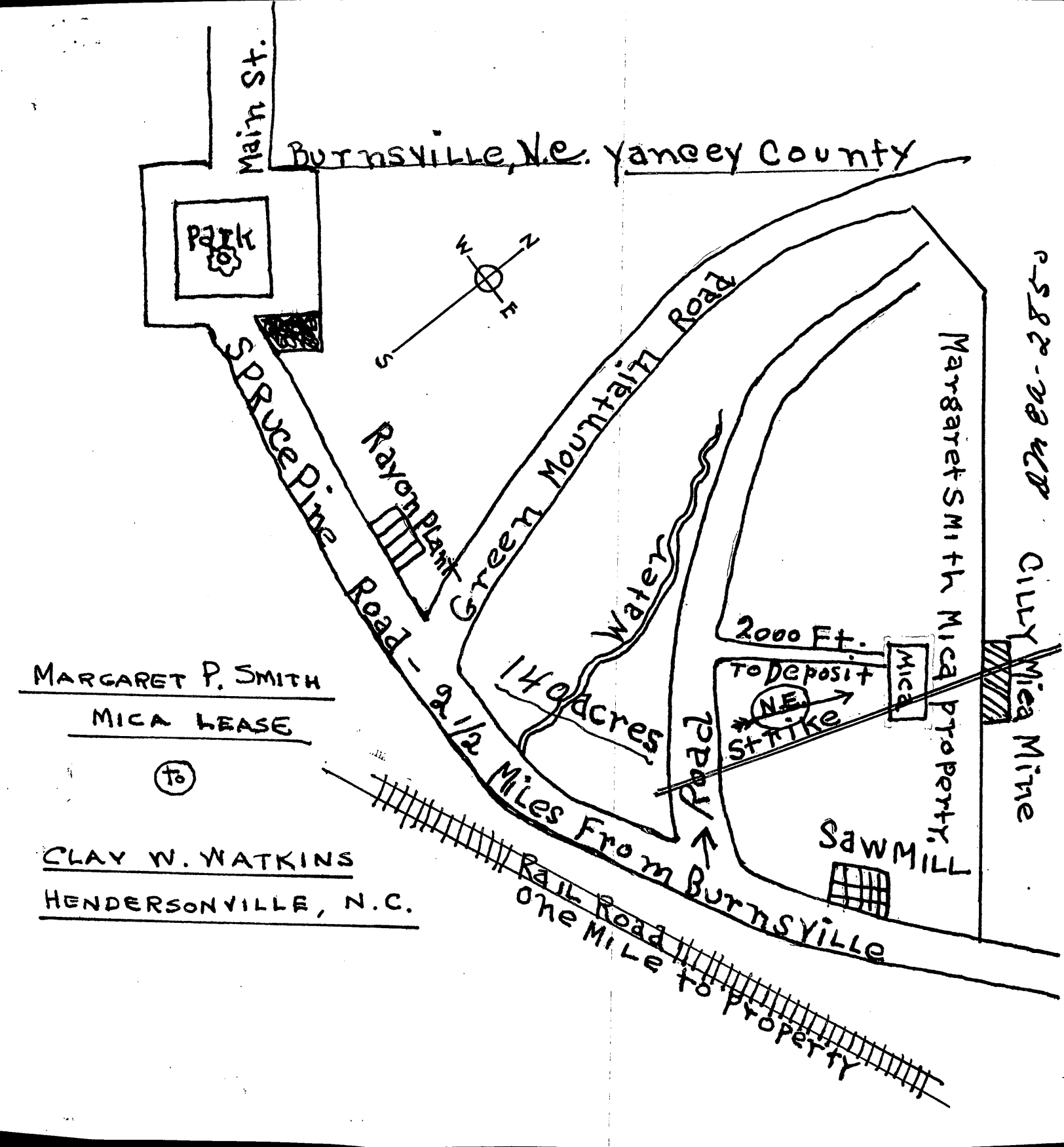
I, Lucile Sellars, a Notary Public of said county and state, do hereby certify that MARGARET SMITH, unmarried, and CLAY W. WATKINS, personally appeared before me this day and acknowledged the due execution of the foregoing mining mineral lease.

WITNESS my hand and notarial seal, this 27th day of March, 1951.

Lucile Sellars
Notary Public

My Commission Expires:

Sept. 19, 1951.


Main St.
Burnsville, N.C. Yancey County
Park
W
N
E
S
Spruce Pine Road - 2 1/2 Miles From Burnsville
Rayon Plant
Green Mountain Road
Water
140 acres
Road
2000 Ft.
To Deposit
N.E.
Strike
Mica
Margaret Smith Mica Property
Silly Mica Mine
Sawmill
Rail Road
One Mile to Property
Margaret P. Smith
Mica Lease
To
Clay W. Watkins
Hendersonville, N.C.

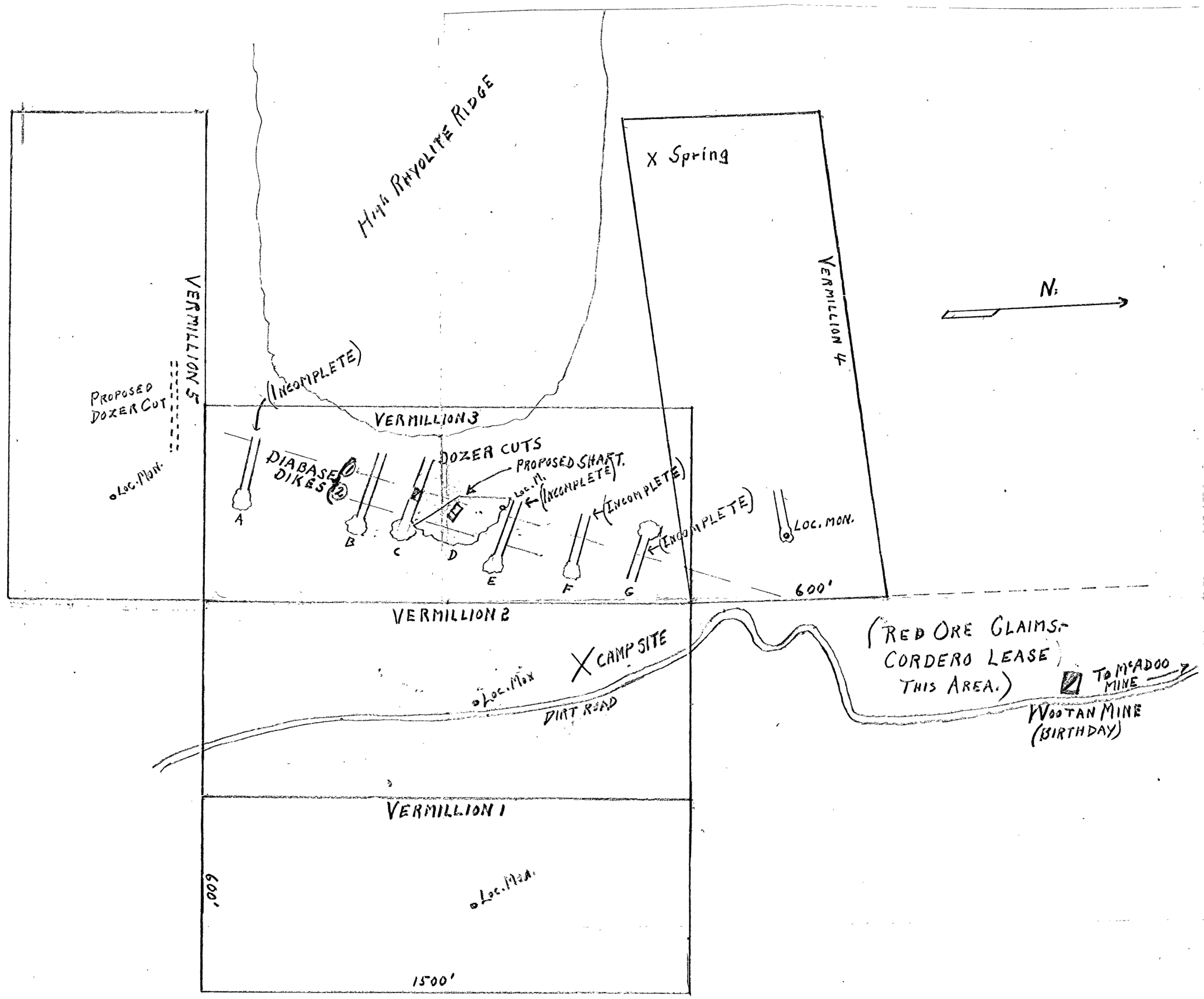
1 copy map received
1/14/53

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

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(PMGC)

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



Vermillion Group

Bottle Creek District

Ogee + Low

Scale 1" = 300'

dmea 2848