MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2[illegible]2

COMMODITY Mica

Docket Copy

IDM-E 642

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

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 19th day of November, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] H. F. Barnhill and W. A. Gay, Partners, doing business as Barn-Gay Mining Company 203 West Birnie Street Gaffney, South Carolina

hereinafter called the "Operator," as follows: and as set forth in Annexes I and II attached hereto and made a part hereof

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1, entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to the mineral rights in that certain land situated in the State of North Carolina, County of Cleveland, described as ~~follows:~~ set forth in Annex I and indicated on the map attached hereto and made a part hereof and entitled "Sketch of Humphries Property, Cleveland County, N. C., leased to Barn-Gay Mining Co.

the Operator represents and undertakes:[4]

~~(a) That the Operator is the owner in possession, and that the property is subject only to the following liens or encumbrances, or that the Owner's Consent to Lien is attached:~~

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

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

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Mica

in or upon the described land; and shall bring the project to completion within a period of six (6) months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay 90 percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $2,340.00, which is 90 percent of $2,600.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations. See Annex II, substituted for Article 6.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* .....

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By C. M. Kendall
Administrator, Defense Minerals Exploration Administration

Approved
Martin
Hoch
Talbert

BATH-GAY MINING COMPANY
(Operator)

By H. E. Bomkire Partner

By W. A. Gay Partner

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

[CORPORATE SEAL]

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

EXPLORATION PROJECT CONTRACT
BARN-GAY MINING COMPANY
DOCKET NO. DMEA-2892

ANNEX I

The right to mine, dig, mill, process and remove all mica on the land referred to in Article 2 of the contract form was obtained by the Operator under a mining lease dated February 3, 1953, from Mrs. Beulah Humphries. The land is known as that of A. G. Humphries, is in No. 1 Township, and is described in the deeds recorded in the Registry for Cleveland County, N. C., in Book of Deeds 6-B at pages 633 and 635.

ANNEX II

The following provisions are in lieu of Article 6 :

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by this contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production (including any bonuses), in whatever form disposed of, including ore, concentrates, or metal, as follows:

(a) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(b) One and one-half ($1\frac{1}{2}$) per cent of any such net amounts, plus one-half ($\frac{1}{2}$) per cent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) 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 ($1\frac{1}{2}$) per cent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) per cent.)

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

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

EXPLORATION PROJECT CONTRACT
BARN-GAY MINING COMPANY
DOCKET NO. DMEA-2892

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica is to be accomplished by the work indicated on the attached map entitled, "Sketch of Humphries Prospect Cleveland Co., N. C. - DMEA 2892 (mica)," and as described below.

1. Sink on the pegmatite not more than 35 feet of a two-compartment test pit 5 feet by 7 feet in cross section and equipped with approved ladders. If the pit is steeper than 50 degrees, it shall have a partition between the compartments.

2. Drive drifts 5 feet by 7 feet in cross section 40 feet on the pegmatite from the bottom of the shaft.

The location, direction and extent of all work shall have prior approval of the Government.

Agreed Unit Costs

35-foot test shaft @ $40.00/ft.	$1,400.00	
40 feet of drifts @ $30.00/ft.	1,200.00	
Total Agreed Unit Costs		$2,600.00
Government Participation @ 90%		$2,340.00

MF-203
(Revised July 1, 1953)

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 Cleveland described as follows:1/

Lands, lying and being in Number One Township, Cleveland County, N. C., and being the lands described in those deed of Records in the Registry for Cleveland County, N. C. in Book of Deeds 6-B at page 633 and 6-B at page 635

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/ H. F. Barnhill and W. A. Gay, trading as Barn-Gay Mining Company

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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.

4. Changes and added provisions _____

Dated this 12 day of February, 195 3.

Mrs Beulah Humphries [Seal]

_____ [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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

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

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

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

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2892

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.

One copy to USBM. & USGS. Copy of application retained in Reg.VII

Routing Slip

To:	Code 600, Room 4637	Date	2/17/53
To:	Fortier	Date	2/24/53
To:	Open Com	Date	3-16-53
To:	Code 600 Rm 4637	Date	8-7-53
To:	Open Com	Date	11-18-53
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

DOCKET FILE
Surname:
Anderson
Houk
Talbut
Burns
Selfridge
Johnson

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

JUN 24 1954

Barm-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

Re: Docket No. DMEA-2892 - Mica
Humphries Prospect
Cleveland County, North Carolina
Contract No. Idm-2642

Gentlemen:

We are pleased to advise you that your performance of exploration work under the subject contract has been acceptable to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total claimed for units of work performed	$2,280.00
Total Government contribution at 90 percent	$2,052.00

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom except with respect to any production between the date of the contract and the end of the period within which the Government might make such certification.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

Sincerely yours,

C. O. Mittendorf (fw)
Administrator

WCAnderson:gad 6/22/54

Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mrs. Beulah Humphries (attached to Field Team copy for forwarding).
Mr. Chambers
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.J.

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

Project Summary Report

By: Walter C. Anderson June 21, 1954

1. Docket No. DMEA-2892 - Mica
Contract No. Idm-E642
Humphries Prospect
Cleveland County, North Carolina

Operator - Barn-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

Operator's property rights -
Five year lease and option - dated February 3, 1953
Owner's Consent to Lien - dated February 12, 1953

2. Contract - dated November 19, 1953.

Work authorized:

35 feet of test shaft @ $40.00/ft.	$1,400.00
40 feet of drifting @ $30.00/ft.	1,200.00
Total agreed unit costs	$2,600.00
Government participation @ 90%	$2,340.00

Amendments: None

Work completed:

27 feet of test shaft @ $40.00/ft.	$1,080.00
40 feet of drifting @ $30.00/ft.	1,200.00
Total accepted cost	$2,280.00
Government participation @ 90%	$2,052.00

Work began on January 13, 1954, and completed April 21, 1954. About 200 pounds of clay-stained "mine-run" mica was recovered during operation, from which field team estimates would yield only about 1/2 percent trimmed strategic mica.

Final Field Team Report received May 10, 1954.
Operator's Final Report: Field Team waives the necessity of this report.

3. Audit - certificate issued June 9, 1954 (no exceptions).

Accepted cost	$2,280.00
Government participation	$2,052.00

4. Certification of discovery - none issued.

5. Comments:

How conducted - carried out the work on schedule as authorized in the contract.

Operation - good.

Engineering - reporting by Operator was inadequate.

Geological premise - the premise that the pegmatite would continue was incorrect, as it suddenly bottomed at from 8 to 25 feet from the surface.

Geological criteria upon which work was based:
1. Weathered pegmatite 8 feet thick.
2. Mica occurrence, frozen to a 3 foot thick quartz core.
3. Some strategic mica recovered by prospecting.

Criteria developed during project:
1. Disconformable pegmatite which bottoms abruptly.
2. Clay stained "mine-run" mica which will yield only about 1/2 percent strategic mica.

Future possibilities: Are remote for production of strategic mica.

Recommendations: The Nonmetallic Minerals Division agrees with the field team that a certification of discovery should not be issued since the work indicated that reserves of mica are insignificant. The Geological Survey and the Bureau of Mines concur.

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

June 3, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2892

Contract Number: Idm-E 642

Applicant: Barn-Gay Mining Company

Name and Location of Property: Humphries Property
Cleveland County, North Carolina

Date of Final Field Team Report: May 7, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: May 13, 1954

Field Team Recommendation:

1. No certification of discovery or development.

Comments:

1. Work began January 13, 1954 and was completed April 21, 1954.
2. Exploration by 27-foot shaft, drifting 24 feet, 8-foot raise, and 17 feet of lateral work.
3. Small quantity of mica recovered.
4. Expenditures - Total approved $2,600
Total cost 2,280
Gov't. share 2,052
Value none

Recommendation:

I concur in the field team's recommendation to deny certification of discovery or development.

W. F. Dietrich

W. F. Dietrich

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

IN REPLY REFER TO:
G-MD-CNM

MAY 13 1954

May 13, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2892 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Barn-Gay Mining Co., Gaffney, South Carolina.
Name of property: Humphries Prospect.
Location of property: Cleveland County, North Carolina
Date of field team report: May 4, 1954.
Authorship of field team report: K. H. Teague, L. E. Shirley, and D. H. Amos.
Field team's recommendation:

1. Termination
2. No certification.
3. No further work.

Comments: Peg bottomed, and mica N. G.
No reserves.

ACTION RECOMMENDED: Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

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

May 7, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Final Report, DMEA-2892, Idm-E 642 (mica) Humphries Prospect, Cleveland County, N. C. Barn-Gay Mining Co. Gaffney, S. C. Opr.

Enclosed are 4 copies of the final report on the subject exploration contract.

We agree with the conclusion that a certificate of discovery should not be issued, as the work indicated the shallow extent of the pegmatite, and reserves are insignificant.

No final report by the Operator has been received. We do not think such a report would be of much value, as the field examiners' report, based on frequent examinations contains all significant geologic and engineering data.

Robert A. Laurence

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION VII

Wm. A. Beck

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

Reviewed by
DMEA OPERATING COMMITTEE

5-14-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
ON
DMEA-2892, HUMPHRIES PROPERTY, (mica)
ClevelandCounty, North Carolina

By

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

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

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

May 4, 1954

Reviewed by
DMEA OPERATING COMMITTEE

5-14-54
(date)

FINAL REPORT
On
DMEA-2892, Idm-E 642, HUMPHRIES PROPERTY

Operator: Barn-Gay Mining Co., 208 W. Birnie St. Gaffney, South Carolina
Location: 7.8 airline miles S. 47° W. of Shelby, Cleveland County, N. C.

Work completed under the contract consisted of a 27-foot vertical test pit and 40 linear feet of laterals. As the pegmatite explored bottomed at about 25 feet a certification of discovery should not be issued. No additional exploratory work is warranted.

Work began on January 13, 1954 and was completed April 21, 1954. A 27-foot vertical test pit, 5' x 7' in cross-section was sunk in pegmatite. As the pegmatite bottomed abruptly at 25 feet, a drift was driven along the southwest wall for 24 feet in an N. 60° W. direction. The bottom of the pegmatite rose gradually in this direction so the floor of the level was raised about 8 feet and a lateral driven in a northeast direction for 17 feet. No drift was made to the southeast because as observed near the bottom of the pit the pegmatite thins and its bottom rises rapidly in this direction.

The work conducted revealed a "canoe-shaped" disconformable pegmatite which bottoms abruptly. It is poorly zoned with an irregular and discontinuous quartz core and has irregular and transitional contact with the country rock, pegmatitic biotite sillimanite schist. The pegmatite, striking N. 65° W., and dipping vertical, is 8 - 15 feet thick and consists of kaolinized feldspar, quartz, and muscovite. The mica is flat, hard, ruby-colored and splits well, but it is heavily clay stained. It tends to be concentrated in small "pockets" with no apparent systematic distribution or location.

About 200 pounds of clay-stained "mine-run" mica was recovered during the project but no attempt has been made by the Operators to trim it. The field team estimates it would yield only about 1-2 percent trimmed strategic mica.

Reserves are negligible.

Expenditures:	(a)	Total approved	$2,600.00
	(b)	Total cost of project	2,280.00
	(c)	Government's share of cost	2,052.00
	(d)	Government's share unexpended	288.00
	(e)	Value of production during operation	??

The work was conducted in an efficient and satisfactory manner. No equipment was purchased under the contract.

May 4, 1954.

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

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

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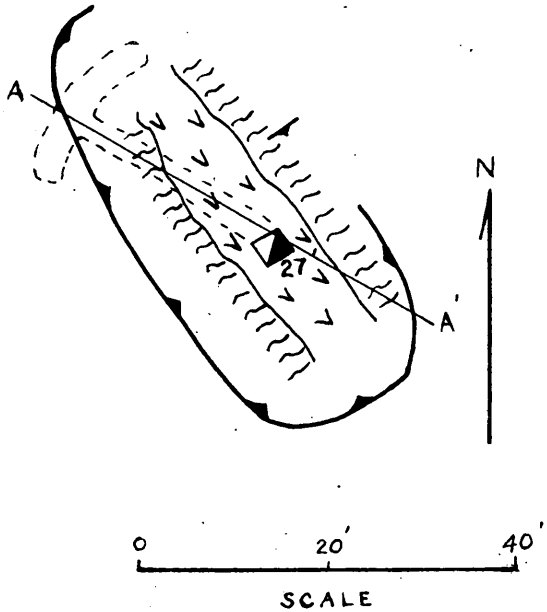
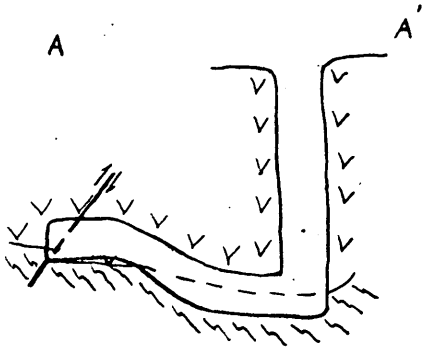
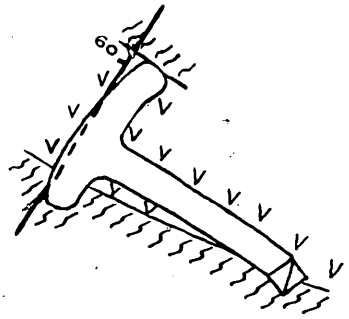




SECTION A-A'



PLAN OF LEVELS

HUMPHRIES PROS.

CLEVELAND CO., N.C.

DMEA-2892

INTERIM REPORT

DMEA-2892 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, S. C.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland County, North Carolina.

Drifting continues on this contract and is now at 24 feet. Very little pegmatite material is showing in the present face and all additional work will be driven in pegmatite at a higher shaft level and along the present west wall.

Material encountered in the last work has consisted of both pegmatite and sillimanite mica schist country rock. The pegmatite is composed of some massive quartz, clay stained kaolinized feldspar and scattered small blocks of muscovite mica of poor quality.

Suggestions were made concerning scaffolding and timber removal for stoping and for safer operations. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague - D. H. Amos

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

April 7, 1954

INTERIM REPORT

DMEA-2892 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, South Carolina.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland Co., N. C.

Drifting is underway on this contract and has advanced about fifteen feet in a N 50° W direction from the 25 foot shaft level. Drifting will continue in this general direction for the present.

Material encountered consists of heavily clay stained quartz, feldspar and scattered small blocks of clear muscovite mica. Directions were given for driving the drift more to the north in order to intersect more of the quartz material observed in previous work. It was suggested that the drift areas be scaled thoroughly each day. Workers were warned against using Coleman Gasoline Lanterns in the drift and the advisability of wearing safety hats in all underground work. Progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague

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

March 24, 1954

INTERIM REPORT

DMEA-2892 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, South Carolina.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland County, N. C.

Shaft sinking has been completed to a total depth of 27 feet. The pegmatite was visible on the southeast side during shafting and appeared to bottom at about 25 ft. The examiners believe that additional shafting is not necessary and it was suggested that turnoff be made from the 25 ft. level in the shaft and a drift driven to the southwest. Material encountered during shafting consisted of pegmatite and sillimanite schist. The pegmatite was composed of massive and stringer quartz, kaolinized feldspar, inclusions of fresh to weathered schist and scattered small blocks of muscovite mica.

It was suggested that, as soon as the drift is advanced sufficiently, additional cribbing and a separated manway with landing and ladders be installed. No temporary ladder exists to the bottom at present. Recent progress on this contract is satisfactory.

L. E. Shirley

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

K. H. Teague D. H. Amos

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

March 10, 1954

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 10 1954

INTERIM REPORT

DMEA-2892 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, South Carolina.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland County, N. C.

Shaft sinking continues slowly on this contract. No visible progress has been made on shaft sinking. The operator stated that it was necessary to discontinue work for a few days until the contractor could obtain and repair necessary equipment. A small air compressor, hand windlass and hand tools comprises most of the equipment observed on the job.

Mr. W. A. Beck, member of the DMEA Field Team, Region VII, accompanied the examiners on this visit to the mine.

L. E. Shirley

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

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

February 24, 1954

INTERIM REPORT

DMEA-2892 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, South Carolina.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland County, North Carolina.

Shaft sinking continues slowly on this contract. No change in depth was measured, but some cribbing had been accomplished with 1 inch sawed boards near the surface. No one was present at the mine and operators were not contacted to learn when work would resume.

L. E. Shirley

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

K. H. Teague Dewey Amos

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

February 10, 1954

INTERIM REPORT

DMEA-2392 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, South Carolina.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland County, N. C.

Shaft sinking continues on this contract and is now at 14.5 feet. Material encountered has consisted of pegmatite, sillimanitic schist, inclusions of biotite gneiss and massive quartz. A few pieces of small, clear muscovite mica have been recovered from a narrow quartz stringer that can be traced vertically from top to bottom on the southeast end of the shaft. Massive quartz, 2 to 3 feet in thickness, can be observed near the surface on the northwest end of the shaft.

The operators have engaged a local contractor who was present at the mine during this inspection. The contractor stated that he has all necessary equipment for sinking the shaft and expects to have it completed before another visit is made.

L. E. Shirley

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

K. H. Teague

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

January 27, 1954

INTERIM REPORT

DMEA-2892 Idm-E642 (mica) HUMPHRIES PROPERTY

OPERATOR: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, S. C.

LOCATION: 7.8 airline miles S 47° W of Shelby, Cleveland County, N. C.

The starting date on this contract is January 13, 1954. Very little progress had been made up to the time of this visit, but shafting was underway. Specifications of the shaft and related matters were discussed with the crew of "well diggers", who have been engaged to sink the shaft. Another visit will be made to the mine in the near future.

L. E. Shirley

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

K. H. Teague

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

January 13, 1954

December 30, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Acting Executive Officer, DMEA - Region 7

Subject: Signed Contract: DMEA-2892, Idm-E 642, Barn-Gay Mining Co.

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

Wm. A. Beck

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MF-203
(Revised July 1, 1953)

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 _____, County of _____, described as follows:1/

_____

_____

_____

_____

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/_____

_____

_____

hereinafter called the "Operator"; and

WHEREAS, under the provisions of said contract the Government is entitled to a percentage royalty on production (as set forth on the reverse side hereof) and to other rights and equities which do or may conflict with or be adverse to the rights of the undersigned:

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

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof, there is hereby granted to the Government a lien upon the land above referred to and upon any production of minerals therefrom, until said royalty is fully paid or ten years have elapsed from the date of the contract, whichever occurs first.

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.

4. Changes and added provisions_____

_____

_____

_____

Dated this _____ day of _____, 195___.

Mrs. Beulah Humphries [Seal]

_____ [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.

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or 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 final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

b. Percentage royalty.--The Operator, or his successor in interest, shall pay to the Government a royalty on all minerals mined or produced from the land described in Article 2,--(1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification of discovery or development, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first, unless the Government waives its right to a royalty; or (2) if the Government makes a certification of discovery or development, for a period of ten years (or other period fixed by the contract) from the date of the contract, or until the total net amount contributed by the Government, without interest, is fully repaid, whichever occurs first. Said royalty shall be a percentage of 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, as follows:

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

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

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

d. Lien for Payment.--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.

e. Notice to Purchasers.--The Operator shall notify any purchaser of the production of the Government's royalty interest, and shall authorize and direct the purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets; but failure or refusal by the purchaser to comply shall not relieve the Operator of liability to pay any royalty falling due.

f. No Obligation to Produce.--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.

Defense Minerals Administration
RECEIVED
NOV 23 1953

Gaffney, S. C.,
November 20,1953

Mr. Lawrence G. Houk,Chief,
Nonmetallic Minerals Division,
U. S. Dept. of the Interior,
Defense Minerals Exploration Adm.,
Washington 25, D. C.

Re: Docket No. DMEA-2892 - Mica
Humphries Property
Cleveland County, N. C.

Dear Mr. Houk:

I am herewith enclosing what I hope will be an acceptable legal description of the above property. Sorry to have been so long in securing this information.

Hope we may hear from you in the immediate future regarding the approval of this assistance.

Yours very truly,

H. F. Barnhill G.

H. F. Barnhill, President,
Barn-Gay Mining Company,
208 West Birnie St.,
Gaffney, S. C.

HFB/G
Enc.

RECEIVED
NOV 25 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

contract executed; enlarges property description; file for future reference.
DEKane 12/1/53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 23 1953

Book 6-B, page 635.
A. G. Humphries et al
to
A. G. Humphries, Jr.
11th day of April 1949.

Description:

Tract No. 1: Being that 31.62 acre tract described in that conveyance dated October 27, 1924, T. F. Humphries et als to A. G. Humphries as of record in the Registry for Cleveland County, N. C., in Book 3-Q, at page 45 to which reference is hereby made and described by metes and bounds as follows:

Beigg lot No. 3 of the T. C. Humphries Estate: Beginning at a stake in the branch in A. G. Humphries line and running thence with it south 2.29 west 19.40 chains to an iron pin, McCraw's corner; thence north 85 east 3.75 chains to an iron pin, Hickory down; thence North 24-30 E 8.50 chains to an iron pin; thence north 84-20 east 13.05 chains crossing the branch to a pine stump and pointers; thence north 24-30 east 10.00 chains, to an iron pin on the north side of the branch, corner of Lot No. 1; thence down and with the branch north 61-30 west 11.79 chains to a stake at upper edge of bridge; thence with the road south 72 west 4.94 chains to a stake in the big branch at the old bridge place; thence up and with the branch 9.40 chains to the place of Beginning, containing 31.62 acres.

Tract No. 2: Containing 40½ acres and described as follows: Beginning at a white oak, near the branch, corner of G. C. Jolley Heirs and runs thence with their line north 034 west 7.5 chains to a R.O. S. H. Allison's corner; thence north 020 west 19.25 chains to a stone, crossing the Gaffney-Boiling Springs Road; thence south 33-20 east 10.23 chains to a P.O. (down) thence south 52-45 east 7.85 chains to a walnut; thence south 45½ east 6.80 chains to a stone; thence south 2-30 west 20.55 chains with A. G. Humphries line to an iron pin; thence south 85 west 10.75 chains to a stone where a white oak formerly stood, Jolley's corner; thence with his line north 20 east 11.40 chains to a post oak; thence north 80 west 4.75 chains to the place of Beginning, containing 40½ acres, more or less.

Tract No 3: Known as the Humphries Home Tract, containing 41½ acres, more or less, and being a part of the lands devised to A. G. Humphries by the Will of R. L. Humphries, the same being of record in the office of the Clerk of the Superior court for Cleveland County, and described as follows:

Beginning at a stake, the corner of the W. L. Blanton 41½ acre tract and runs thence with the Blanton line North 78-25 west 74 4/5 poles to a stake; thence north 95 poles to a stake; thence east 13 poles; thence north 80 east 60 poles to a stake in the field; thence south 105 poles to the place of Beginning.

But this conveyance is made subject to the life estates in saidlands which are hereby expressly executed and reserved by the parties of the first part for and during their natural lives.

Recorded on the 4th day of Jan. 1950.

A. G. Humphries and wife Beulah Humphries of the County of Cleveland and State of N. C., parties of the first part and Boyce J. Humphries, Pearl P. Humphries, Delia H. McCraw, Ida L. Humphries, Elma C. Humphries, Gene Humphries, Margaret H. Humphries, Evelyn L. Humphries and H. Edward Humphries, parties of the second part; Deed made the 11th day of April, A.D., 1949:

Tract No. 1: Containing 145 acres, more or less and being the lands described in that deed dated November 21, 1944, T. C. Lovelace and wife Mattie W. Lovelace to A. G. Humphries and wife Beulah Humphries, of record in the Cleveland County Registry in the Cleveland County Registry in Book ___ at page ___ and described as follows:

Beginning on a Lynn tree on the S. side of Broad River below the crooked bridge, the north-east corner of the Spake land and runs thence S. 35 W. 602 feet to a dogwood; thence N. 77 W. 231 feet to a red oak; thence S. 7 W.1048 feet to a dogwood, now gone; thence N. 83 W.1864 feet to a stake in the field; thence S. 36 W. 379 feet to a post oak; thence N. 74 W. 1221 feet to a stake in the Webb line, old pine corner; thence with Webb line N. 84 W. 364½ feet to a stone; thence N. 18 E. 1560 feet to a stone pile, McCraw's old corner; thence N. 19 E. 940 feet to a poplar stump, old corner; thence N. 65 feet to the river; thence down the river as it meanders 792 feet to a holly bush, corner of the Western Carolina Power Company tract, thence with their lines S. 19½ W. 664.3 feet and 215.7 feet to a stake in the old line; thence S. 65-58 E. 1968.3 feet to a stake, thence N. 36-41 E. 880 feet to the river; thence down the river as it meanders to the Beginning, containing 145 acres, more or less. This conveyance is made subject to any outstanding water rights and includes the Spake land and the E. Y. Webb land, also 2½ acre tract on the river.

Tract No. 2: Containing 52½ acres as shown on survey made on April 11,1929 by A.M. Lovelace, Surveyor, and being a part of the lands devised to A.Glenn Humphries by will of S. J. Humphries, of record in Book of Wills 4 at page 255 et seq in the office of the Clerk of the Superior Court for Cleveland County, N. C., and described as follows:

Beginning at a post oak stump. Haynes and McBrayer's corner and runs thence N.80½ W. 28.08 chains to a stone; thence S. 41 W. 2.16 chains; thence S. 33-20 E. 24 chains to a stone; thence S. 33-20 E. 10.23 chains to a post oak; thence S. 52.45 E. 7.85 chains to a walnut; thence N. 8 E. 12.62 chains; thence N. 83 E. 2 chains; thence N. 5.35 E. 17.10 chains to the place of Beginning, containing 52½ acres more or less.

But this conveyance is made subject to the life estates in said lands

which is hereby expressly executed and reserved by the parties of the first part for and during their natural lives.

Recorded on the 4th day of January, 1950, in Book 6-B at page 633.

11-19

FILE COPY
SURNAME:

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

600

NOV 19 1953

Chairman
Houk
Talbert
Selfridge
Hoffman

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

Subject: Docket No. DMEA-2392 - Mica
Bare-Gay Mining Company
Humphries Property
Cleveland County, North Carolina

Dear Mr. Laurence:

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

If the contract meets with your approval present it to the Operator for approval and signature. Please explain to the Operator that the contract, when executed, is a firm commitment under the terms of which it is obligated to complete the work outlined at the agreed unit cost. If any part of this contract does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies of the contract are to be returned to this office, together with the proposed changes for consideration.

After execution of the contract, the copies are to be distributed in the usual manner.

Copies of memoranda from the Geological Survey and the Bureau of Mines are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GHB)

Approved:

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

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

Enclosures 10

WCAnderson:gad 11/16/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R. C. G.
11-19-53

Gaffney, S. C.,
August 15,1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 18 1953

Mr. C. O. Mittendorf, Administrator,
Defense Minerals Exploration Administration,
Dept. of the Interior,
Washington, 25, D. C.

Re: Docket No. DMEA-2892-Mica

Dear Mr. Mittendorf:

With reference to your letter of August 8th, I am enclosing copies of letters written to your office with the information requested. I am taking the liberty of mailing this letter to you direct by registered mail to assure delivery.

We are still very much interested in getting exploration assistance, and have been anxiously awaiting this help so that we may begin exploration of this property.

Yours very truly,

H. F. Barnhill

H. F. Barnhill, President
Barn - Gay Mining Company,
208 West Birnie St.,
Gaffney, S. C.

HFB/G
Enc.

Gaffney, S. C.,
June 15, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 18 1953

Mr. Lawrence G. Houk, Chief,
Nonmetallic Minerals Division,
U. S. Dept. of the Interior,
Washington, 25, D. C.

Re: Docket No. DMEA - 2892 Mica

Dear Mr. Houk:

Reference is made to your letter dated June 8th. The information requested in your letter of March 19th was mailed to your office on March 25th. However if the information still has not been received by you, I will again list this information below.

#1- Your field men have been here, and the examination has been made.

#2- Copy of the signed lease are in possession of Mrs. Humphries and ourselves. Also a copy is on file at the Cleveland County Court House, Shelby, N. C.

#3- The Barn-Gay Mining Company is a corporation and was formed in the state of South Carolina.

#4- The metes and bounds description and names of the grantors and the grantees for the Humphries land was submitted with our original application. However, the land in question was left by Mr. A. G. Humphries to his widow, Mrs. Beulah Humphries, who is the sole owner of this land.

If this information is not complete in your file, please advise.

Yours very truly,

H. F. Barnhill, President
Barn - Gay Mining Company,
208 West Birnie Street,
Gaffney, S. C.

HFB/G
Copy

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 18 1953

Gaffney, S. C.,
March 25,1953

Mr. Lawrence G. Houk, Chief,
Nonmetallic Minerals Division,
U. S. Dept. of the Interior,
Washington, 25, D. C.

Re: Docket No. DMEA -2892-Mica

Dear Mr. Houk:

In reply to your letter of March 19th, you may be assured that we will give your field team all the assistance they will need.

With regards to the lease submitted with our application, we wish to advise that Mrs. Humphries has a signed copy of the lease the same as we do. Also there is a copy of this lease on file at the office of Register of Deeds in the Cleveland County Court House, Shelby, North Carolina.

The answer to intem #1 on our application should read that the Barn-Gay Mining Co. is a corporation, and was formed in the State of South Carolina.

If there is any further information that you need, please advise.

Yours very truly,

H. F. Barnhill, President
Barn - Gay Mining Company,
208 West Birnie Street,
Gaffney, S. C.

HFB/G
Copy

B arn-Gay Mining Co.,
Gaffney, S. C.

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Adm.
Dept. of the Interior
Washington, 25, D. C.

REGISTERED
NO. 229

INTERIOR
AUG 18 1953
SECRETARY'S
MAIL CENTER

GAFFNEY S. C.
AUG 17 1953

REED WASHINGTON
AUG 18 1953

GAFFNEY S. C.
AUG 17 1953

FILE COPY
SURNAME:

Anderson
H. Johnson

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

600

OCT - 2 1953

Mr. H. F. Barnhill, President
Barn-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

Re: Docket No. DMEA-2392 - Mica
Humphries Property
Cleveland County, North Carolina

Dear Mr. Barnhill:

We have your letter dated September 25, 1953, concerning the subject exploration application, wherein you state you will operate as a partnership, H. F. Barnhill and W. A. Gay, trading as Barn-Gay Mining Company.

You enclosed the seven copies of Owner's Consent to Lien on the new form, but we still lack an acceptable legal description of your property. A legal description of a property is the bounding bearings and distances enclosing the area. The bearings and distances are also called metes and bounds or directions and lengths of each course. The legal description may be obtained from the deed.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson:gad 10/1/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.G. 10-2-53

Barn-Gay Mining Co.,
Gaffney, S. C.,
Sept. 21,1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 25 1953

Mr. Laurence G. Houk, Chief,
Nonmetallic Minerals Division,
U. S. Dept. of the Interior,
Defense Minerals Exploration Adms.,
Washington, 25, D. C.

Re: Docket No.DMEA-2892 - Mica
Humphries Property
Cleveland County, N. C.

Dear Mr. Houk:

We are enclosing per your request six copies of owner's consent to lien forms, properly signed.

Regarding your question as to whether we will operate as a corporation or partnership, it has been decided that we will operate as a partnership, rather than change the leases we have signed.

Would you please clarify for us your reference to a better "legal description" of this property, as we do not understand what this term inplies.

Thanks in advance for your prompt reply.

Yours very truly,
H. F. Barnhill
H. F. Barnhill, President
Barn-Gay Mining Company
(H)

HFB/G

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

August 27, 1953

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Barn-Gay Mining Company - Docket No. DMEA-2892 (Mica)

Because this is a small contract, it has been drafted at this time with the exception of Annex I, the information for which must still be supplied.

The Operator declares it is a South Carolina corporation, but the lease dated February 3, 1953, is to two individuals, H F Barnhill and W. A Gay, doing business as the Barn-Gay Mining Company. Consequently, the Operator does not have the necessary interest in the land for an exploration project contract. To correct this defect, either the lease must be assigned to the Operator, or it should be cancelled and a new lease issued directly to the Operator corporation. In either case, a new Owner's Consent to Lien on the new form should be obtained, which describes the contract as being with the corporation the Barn-Gay Mining Company.

At the same time, it would be advisable to try and get a better description of the property than a mere reference to two deeds recorded in Cleveland County, N. C. However, if this cannot be obtained, we shall accept this reference because we are attaching a map, such as it is, to the contract.

J. L. Hofflund
Chief Counsel

Attachments

FILE COPY
SURNAME: 913

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

Anderson
Mathewley

AUG 28 1953

Mr. H. F. Barnhill, President
Barn-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

Re: Docket No. DMEA-2892 - Mica
Humphries Property
Cleveland County, North Carolina

Dear Mr. Barnhill:

Before we can complete the processing of your application, it is necessary for you to submit additional information.

Your letter dated June 15, 1953, declares the Operator is a South Carolina Corporation, but the lease dated February 3, 1953, is to two individuals, H. F. Barnhill and W. A. Gay, doing business as the Barn-Gay Mining Company. Consequently, the Operator does not have the necessary interest in the land for an exploration project contract. To correct this defect, either have the lease assigned to the Operator or have it cancelled and a new lease issued directly to the Operator Corporation.

In either case, you should obtain a new Owner's Consent to Lien on the enclosed forms, six copies of which should be returned to this office. The contract should be described as being with the Corporation, the Barn-Gay Mining Company.

At the same time, we would like to have you give a better legal description of the property than a mere reference to two deeds recorded in Cleveland County, North Carolina.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosures 7
WCAnderson:gad 8/28/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

RAG.

140

FILE COPY
SURNAME:

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

N.S. in R.R.

August 27, 1953

AEKane
Phelan

Memorandum

To: The Administrator
Through: L. G. Houk

From: Chief Counsel

Subject: Barn-Gay Mining Company - Docket No. DMEA-2892 (Mica)

Because this is a small contract it has been drafted at this time with the exception of Annex I, the information for which must still be supplied.

The Operator declares it is a South Carolina corporation, but the lease dated February 3, 1953, is to two individuals, H F Barnhill and W A Gay, doing business as the Barn-Gay Mining Company. Consequently, the Operator does not have the necessary interest in the land for an exploration project contract. To correct this defect, either the lease must be assigned to the Operator, or it should be cancelled and a new lease issued directly to the Operator corporation. In either case, a new Owner's Consent to Lien on the new form should be obtained, which describes the contract as being with the corporation the Barn-Gay Mining Company.

At the same time, it would be advisable to try and get a better description of the property than a mere reference to two deeds recorded in Cleveland County, N. C. However, if this cannot be obtained, we shall accept this reference because we are attaching a map, such as it is, to the contract.

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

Attachments
AEKane/ema
cc: Mails & Files
L. G. Houk
A. E. Kane
JL Hofflund
Chron.

FILE COPY

FILE COPY
SURNAME:

Houk

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

AUG 7 1953

Mr. H. F. Barnhill, President
Barn-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

Re: Docket No. DMLA-2892 - Mica
Humbries Property
Cleveland County, North Carolina

Dear Mr. Barnhill:

Reference is made to our letter dated June 8, 1953, requesting additional information necessary to process your application.

Inasmuch as we have received no reply, we assume that you no longer desire to proceed with the application. We wish to cooperate with you in the matter of allowing ample time, but if the needed data have not been received by September 15, 1953, we will than consider the docket closed.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 8/6 /53

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

JKB
8/7/53

FILE COPY
SURNAME:

Feitler
Lawrence G. Houk

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

JUN 8 1953

Mr. H. F. Barnhill, President
Barn-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

Re: Docket No. DMEA-2892 - Mica
Humphries Property
Cleveland County, North Carolina

Dear Mr. Barnhill:

Reference is made to your letter dated June 4, 1953, inquiring as to the status of the subject application for exploration assistance.

Enclosed is a copy of our letter dated March 19, 1953, in which you were requested to supply certain information omitted from the application and were notified that a field examination would be made.

In addition to the information referred to above, please submit the metes and bounds descriptions and the names of the grantors and grantees for each tract of the A. G. Humphries lands.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Enclosure

SAFeitler:gad 6/5/53

6-8-53

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

Mr. Feitler

Gaffney, S. C.,
June 2, 1953

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

Att: Robert E. Adams

Re: DMEA - 2892

Dear Mr. Adams:

Under date of February 12, a letter was received from your office, advising that application for exploration assistance had been received and assigned the above number. To date, no further data has been received, and I am most anxious to begin operations at the earliest possible date.

Would greatly appreciate having you look into the matter, and advising me of the present status, and the approximate time we may expect official approval. It was our understanding that we could expect approval within ninety days at the latest.

Yours very truly,

H. F. Barnhill (G)

H. F. Barnhill, President
Barn - Gay Mining Company
208 West Birnie Street
Gaffney, S. C.

HFB/G

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 4 1953

Mr. Feitler

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

April 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-2892, Mica, Humphries Property, Cleveland County North Carolina

I concur in the field team's recommendation for an exploration program in the amount of $2,600.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:
G-MD-CNM
Mr Fitler

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

April 13, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 14 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2892 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Barn-Gay Mining Co., 208 W. Birnie St., Gaffney, South Carolina.
Name of property: Humphries property.
Location of property: 7.8 miles S. 47° W. of Shelby, North Carolina.
Date of field team report: March 31, 1953.
Authorship of field team report: Teague, Beck, and Shirley.
Field team's recommendation:
35' test pit on southwest side of quartz core.
Up to 40' of drifts along the pegmatite.
Comments: None.
ACTION SUGGESTED: Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

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

Room 13, Post Office Building
Knoxville 2, Tennessee

April 1, 1953

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 7

Subject: Field Team Examination Reports.

Transmitted herewith are four copies of the reports, and six extra copies of the map, for the following examination reports:

DMEA-2882, Bowman Mine (Mica)

DMEA-2892, Burn-Cay Mining Co. (Mica)

DMEA-2909, Old Sheep Mountain Mine, (Mica)

DMEA-2910, Davis Property, (Mica)

DMEA-2917, Allman Cove, (Mica)

The Field Team is in agreement with the recommendations set forth in the above reports.

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

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

Reviewed by
DMEA OPERATING COMMITTEE

4-10-53
(date)

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 3 1953

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-2892, HUMPHRIES PROPERTY (mica)

Cleveland County, N. C.

By

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

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

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

Reviewed by
DMEA OPERATING COMMITTEE
4-10-53
(date)

March 31, 1953

Field Examination Report on

DMEA-2892, HUMPHRIES PROPERTY (Mica)
Applicants: Barn-Gay Mining Company, c/o H. F. Barnhill
208 W. Birnie St., Gaffney, S. C.

Only one of the five pegmatite localities appear to have possibilities. Some mica of strategic quality has been recovered by a limited amount of prospecting. The field examiners recommend that a 35-foot test pit be sunk and 40 feet of drifts driven on the pegmatite near the dwelling.

This property was examined on March 26, 1953. Both Mr. H. F. Barnhill and W. A. Gay were present at the examination which required two hours.

The Humphries property is 7.8 airline miles S. 47° W. of Shelby, Cleveland County, North Carolina. It is accessible from Shelby via N. C. Highway 150 and is 3.8 miles south of Boiling Springs and on the west side of the highway. Access to the property is excellent.

The applicants have no mining experience; however, if, exploration aid is granted they plan to employ an experience mica miner to supervise the operation. Both applicants appear to be financially responsible.

There are no surface facilities on the property and none are needed for the proposed exploration project. Past work has consisted of stripping an area 20' x50' to a shallow depth and sinking one 4-foot test pit on the pegmatite. This work has exposed a pegmatite more than 8 feet thick, over a length of about 30 feet. The pegmatite trends N. 40° W, dipping steeply to the southwest. It appears to be emplaced in a joint in the mica-sillimanite schist wall rock. The pegmatite is completely weathered, but the enclosing rock is only semi-weathered.

The pegmatite contains a pronounced quartz core, apparently located near the footwall, which averages about 3 feet thick. Mica which occurs frozen to the quartz core is generally "flat -A," but that in the weathered feldspathic portion does not contain "A" structure although it appears to be mostly in small sizes. The mica is hard, clear, ruby colored, "A" or flat, and splits well. Pattern mica which trimmed 3" x 4" has been obtained. The main defect is a slight clay stain.

Elsewhere on the property 4 other mica prospects were examined, but these do not appear to warrant exploration.

The field examiners believe that the pegmatite described above justifies exploration. We recommend that a 35-foot test pit be sunk on the southwest side of the quartz core and up to 40 feet of drifts be driven along the pegmatite.

Estimated Cost:

35-foot test shaft @ $40/ft.	$1400.00	
40-feet of drifts @ $30/ft.	1200.00	
Estimated Total Cost.....		$2,600.00

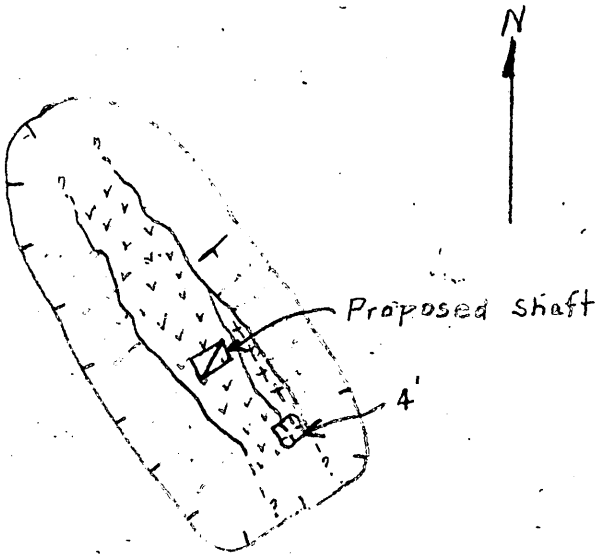
Estimated time required - 50 shifts.

March 31, 1953

Kefton H. Teague, USGS

Lawrence E. Shirley, USBM

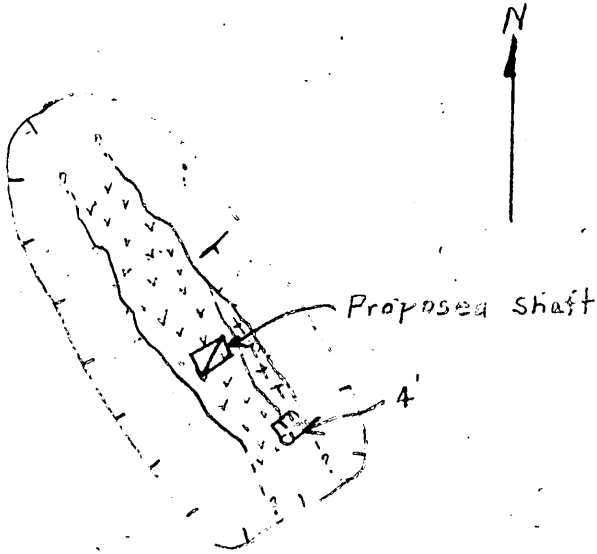
Wm. A. Beck, USBM



Sketch of
Humphries Prospect
Cleveland Co., N.C.

0 20' 40
Scale

DMEA-2842 (mica)



Sketch of
Humphries Prospect
Cleveland Co., N.C.

0 20' 40
Scale

DMEA-2812 (mica)

FILE COPY
SURNAME:

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

600

MAR 13 1953

Feitler
Hardy
Selfridge

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

Subject: Docket No. DMEA-2392 - Mica
Barn-Gay Mining Company
Humphries Property
Cleveland County, North Carolina

Dear Mr. Laurence:

J.C. 3/19/53

Please arrange for a field examination of the subject mine, if the mica is of acceptable quality, and submit a report and your recommendation for the disposition of this application.

Two copies each of memoranda from the Bureau of Mines and the Geological Survey are enclosed for your convenience.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Approved:

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

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

Enclosures 4

SAFeitler:gad 3/13/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

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

600

Feitler
Lemmon
Hodges
Selfridge

MAR 19 1953

Mr. H. F. Marshill, President
Barn-Gay Mining Company
203 W. Mirale St.
Gaffney, South Carolina

Re: Docket No. DMEA-2392 - Mica
Humphries Property
Cleveland County, North Carolina

Dear Mr. Marshill:

D. C. 3/19/53

Your application for assistance in exploring your 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.

The copy of the lease submitted with your application bears only the signature of Mrs. Humphries, the Lessor (Landlord). Please submit either a copy of the lease which has been signed by Mrs. Humphries and you or a statement to the effect that each of you has a copy of the lease signed by the other, if the lease was executed in that manner.

The answer to Item 1 of the application does not make clear whether Barn-Gay Mining Company is a partnership or a corporation. This office should be advised as to which it is. If it is a corporation, the name of the state in which it was formed should be included.

Sincerely yours,

SIGNED
Laurence C. Houk, Chief
Nonmetallic Minerals Division

LAFeitler:gad 3/16/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

Feitler
Hook
Bushell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 630

MAR 19 1953

Revision attached

Mr. R. F. Barnhill, President
Barn-Gay Mining Company
208 N. Mirmie St.
Gaffney, South Carolina

Re: Docket No. DMEA-2492 - Mica
Humphries Property
Cleveland County, North Carolina

Dear Mr. Barnhill:

D.C. 3/19/53

Your application for assistance in exploring your 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.

The copy of the lease submitted with your application, which appears to be an exact copy, is signed only by Mrs. Humphries, lessor. Please submit a copy of the lease with your signature as well as that of Mrs. Humphries or, if it is the fact, a statement from you to the effect that both you and Mrs. Humphries have a copy of the lease signed by the other.

The answer to Item 1 of the application does not make clear whether Barn-Gay Mining Company is a partnership or a corporation. This office should be advised as to which it is. If it is a corporation, the name of the state in which it was formed should be included.

Sincerely yours,

SIGNED

Lawrence G. Hook, Chief
Nonmetallic Minerals Division

GAFeitler:gad 3/2/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Hook

Barn-Gay Mining Co.,
208 W. Birnie St.,
Gaffney, S. C.,
March 10,1953

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 11 1953

Att: Mr. Robert E. Adams

Re: DMEA - 2892

Dear Mr. Adams:

Under date of February 17th, a letter was received from your office advising that application for exploration assistance had been received and assigned the above number. To date, we have received no further communication.

Since we are most anxious to proceed with operations, would greatly appreciate having you advise us when we may expect to hear from our application.

Yours very truly,

H. F. Barnhill

H. F. Barnhill, President,
Barn - Gay Mining Company

HFB/G

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

February 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 2 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch.

Subject: DMEA-2892, Mica, Barn-Gay Mining Company Prospect
Cleveland County, North Carolina

No data are available in this office on subject property. It is located in a general area in which ruby mica is known to be the characteristic variety. On the basis of the applicant's description of present exposures, a field team investigation is recommended.

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 20, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 20 1953

Memorandum

REVIEW OF APPLICATION DMEA - 2892 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration.
From: R. E. Van Alstine, U. S. Geological Survey.
Applicant: Barn-Gay Mining Company, 208 West Birnie Street, Gaffney, S.C.
Name of property: None
Location of property: 8 miles south of Shelby in Cleveland County, North Carolina.
Estimated cost of project: $12,484.00
Summary of applicant's proposal:
1) Bulldoze at five outcrops of pegmatite containing mica.
2) If strategic mica in sufficient quantity is found, shafts will be sunk and drifting and crosscutting will be done.

Sources of information on applicant's property:
None; no previous production or exploration here other than a few prospect pits.

Comments:
Applicant might be asked to submit sample of sheet mica for testing. Under item 4 C he claims that the pegmatites in several spots show sheet mica.

RECOMMENDATION:
If sample test shows strategic quality mica here, refer application to field team for examination of property and for working out a plan for exploration, if warranted.

R. E. Van Alstine
R. E. Van Alstine

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. dmea 2892
Metal or Mineral
Date Received 2-16-53
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: Barn-Gay Mining Company (H. F. Barnhill, President and W. A. Gay, Sec. & Treas)
208 West Birnie Street
Gaffney, South 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 See attached lease

(*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. Copy of lease attached

(*e*) If you own the land, describe any liens or encumbrances on it (Land is leased)
None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

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. see Exhibit I

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. none

(*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. see attached page - Exhibit I

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Very good-100 yds from paved highway. 8 mi. south of Shelby, N.C.

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

5. *The exploration project.*—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. See Exhibit II

(*c*) The work will start within 30 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. Competent Supervision will be obtained.

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.). See Exhibit III

(*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. See Exhibit III

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

(*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. See Exhibit III

(*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. none

(*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. See Exhibit III

(*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. See Exhibit III

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated February 12, 1953

Barn-Gay Mining Company
(Applicant)

By H. J. Barnhill

By W. Gay

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

EXHIBIT I

4. Physical Description. (a) A few pits about 4 feet deep, were dug about 20 years ago.

   (c) Pegmatites found in several spots showing sheet mica. (see map attached)

EXHIBIT II

5. The Exploration project:

   (b) See map attached. Propose to bulldoze surface at five known outcroppings where mica was found. If showing warrants, shafts will be sunk at the most favorable locations, from which crosscutting and drifting will be done.

Barn-Gay Mining Co.

Exhibit III

6. Estimate of Costs:

(a) Independent Contracts.

Bulldozer and Operator @ $12.00 per hr. for 100 hrs.	$1,200.00

(b) Labor, Supervision, Consultants

1 Working foreman @ $1.75 per hr. 960 hrs.	1,680.00
2 Miners @ $1.25 per hr. 960 hrs.	2,400.00
2 Laborers @ $1.00 per hr. 960 hrs.	1,920.00
1 Crane Operator @ $1.25 per hr. 960 hrs.	1,200.00
Total	8,400.00

(c) Operating Materials and Supplies

Hand Tools	40.00
Blasting Powder	100.00
Power, water and fuel	150.00
	$ 290.00

(d) Operating Equipment

Rented:

Air Compressor and accessories	984.00
Wench and cable	250.00
	$1,234.00

(e) Rehabilitation and Repairs

None

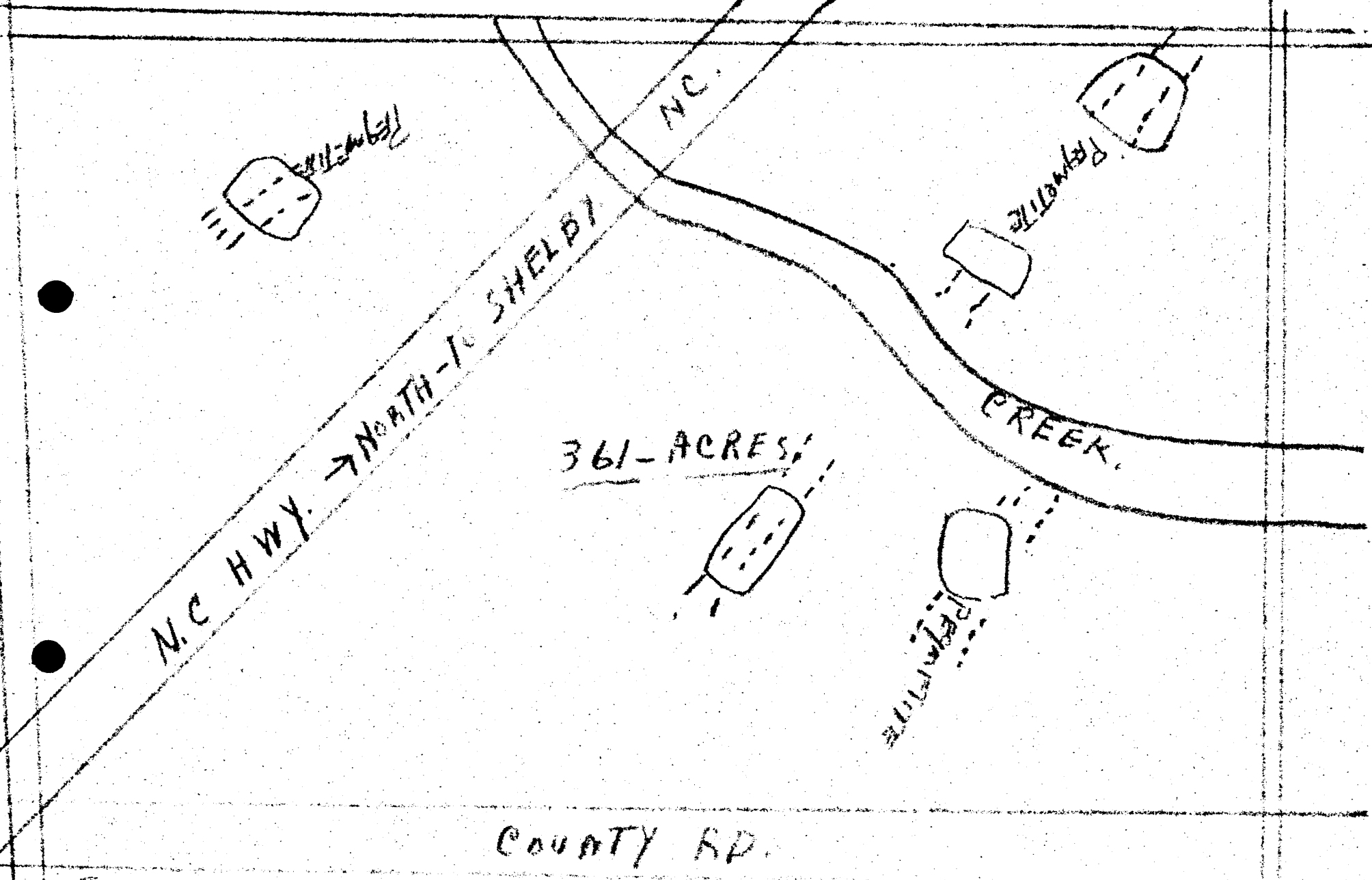
(f) New Buildings, improvements, Installations:

Build tool and workhouse	200.00

(g) Miscellaneous

Accountant	100.00
Workmens Compensation	450.00
Liability Insurance	350.00
Payroll taxes	1260.00
	$ 2160.00

(h) Contingencies.	$200.00	
Grand Total.....		$12,484.00


N.C.
N.C HWY. → NORTH-TO SHELBY
361-ACRES
CREEK.
COUNTY RD.

February 17, 1953

Mr. H. F. Barnhill, President
Barn-Gay Mining Company
208 West Birnie Street
Gaffney, South Carolina

DMEA-2892
Subject: Exploration Assistance
Re: Humphries Property

My dear Mr. Barnhill:

The receipt of your application dated February 12, 1953 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-2892 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-2892 in any future correspondence relating to your application.

Sincerely yours,

R. E. ADAMS

Robert E. Adams
Chief, Operations Control
and Statistics Division

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

February 17, 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- 2892 Barn-Gay Mining Company

R. E. ADAMS

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

33980

dmea 3892

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

February 12, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

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

From: Acting Executive Officer, Region 7

Subject: Application from Barn-Gay Mining Co., Gaffney, S. C. (mica) on the Humphries Property, Cleveland County, S. C.

Transmitted herewith are three copies of the above subject application, ~~six~~ 3 copies of Owner's Consent to Lien, and a copy of the lease of the subject company which were presented in this office today.

The applicant is sending a sample of their mica to the Government Depot in Spruce Pine, N. C., with a request that we be notified of its quality.

One copy of the application has been retained in this office.

Wm. A. Beck

Wm. A. Beck

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
FEB 2 1953

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

Not to be filled in by applicant

Docket No. dmea/ 2892
Metal or Mineral
Date Received 2-16-53
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: Barn-Gay Mining Company (H. F. Barnhill, President and W. A. Gay, Sec. & Treas)
208 West Birnie Street
Gaffney, South 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 See attached lease

(*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. Copy of lease attached

(*e*) If you own the land, describe any liens or encumbrances on it (Land is leased)
None

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. None

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. see Exhibit I

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. none

(*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. see attached page - Exhibit I

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. Very good-100 yds from paved highway. 8 mi. south of Shelby, N.C.

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

16—66551-1

5. *The exploration project.*—(*a*) [redacted]e the mineral or minerals for which you wi[redacted] 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. See Exhibit II

(*c*) The work will start within 30 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. Competent Supervision will be obtained.

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Explain in detail on acompanying paper.

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Dated February 12, 1953

Barn-Gay Mining Company
(Applicant)

By H. E. Barnhill

By W. Gay

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

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Workmens Compensation	450.00
Liability Insurance	350.00
Payroll taxes	1260.00
	$ 2160.00

Continued-Barn-Gay- Exhibit III.

(h) Contingencies.	$200.00	
Grand Total.....		$12,484.00

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 Cleveland, described as follows:1/

LANDS, lying and being in Number One Township, Cleveland County, N. C., and being the lands described in those deed of Records in the Registry for Cleveland County, N. C. in Book of Deeds 6-B at page 633 and 6-B at page 635

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/ H. F. Barnhill and W. A. Gay, trading as Barn-Gay Mining Company

hereinafter called the "Operator"; and

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

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

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, 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 12 day of February, 1953.

Mrs Beulah Humphries [Seal]

_____ [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 Cleveland, described as follows:1/

LANDS, lying and being in Number One Township, Cleveland County, N. C., and being the lands described in those deed of Records in the Registry for Cleveland County, N. C. in Book of Deeds 6-B at page 633 and 6-B at page 635

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2/ H. F. Barnhill and W. A. Gay, trading as Barn-Gay Mining Company

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.

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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 12 day of February, 1953.

Mrs Beulah Humphrey [Seal]

_____ [Seal]

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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 Cleveland, described as follows:1/

LANDS, lying and being in Number One Township, Cleveland County, N. C., and being the lands described in those deed of Records in the Registry for Cleveland County, N. C. in Book of Deeds 6-B at page 633 and 6-B at page 635

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/ H. F. Barnhill and W. A. Gay, trading as Barn-Gay Mining Company

hereinafter called the "Operator"; and

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

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

1. The Government's equity in and right to dismantle, sever, take possession of, and remove and dispose of facilities, buildings, fixtures, equipment, or other items as provided in the contract, or any amendment thereof, shall prevail over and be prior and superior to any conflicting or adverse rights of the undersigned, and the Government is authorized to enter upon the land for such purposes.

2. To secure the payment to the Government of the percentage royalty on production3/ provided for under the terms of said exploration project contract, or any amendment thereof which does not increase the maximum amount of the Government's claim here stated or alter the provisions for repayment, there is hereby granted to the Government a lien upon the land herein described and upon any production of minerals therefrom, until the royalty claim is fully paid in the amount of the Government's contribution, not in excess of 4/$ _____, 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 12 day of February, 1953.

Mrs Beulah Humphrey [Seal]

_____ [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.

C O P Y

C O P Y

MINING LEASE

North Carolina

Cleveland County

THIS CONTRACT, made and entered into this the 3rd day of February 1953, by and between Mrs. Beulah Humphries (widow), hereinafter called Landlord, and H. F. Barnhill and W. A. Gay, Trading and doing business under the name of Barn-Gay Mining Company, hreinafter called Tenant, the said Landlord of the County of Cleveland and State of North Carolina and said Tenants of the County of Cherokee and State of South Carolina;

WITNESSETH

That subject to the terms and conditions hereinafter set forth, said Landlord has let and leased unto said Tenants the exclusive right and privelege to mine, dig, mill, process and remove all mica now in under or upon certain lands lying and being in Number One Township, Cleveland County, North Carolina, and being the lands described in those deed of record in the Registry for Cleveland County North Carolina in Book of Deeds 6-B at page 633 and 6-B at page 635 and known as the A. G. Humphries lands.

The terms and conditions of this lease are as follows:

Unless sooner terminated as herein provided, this lease shall exist and continue for a term of five (5) years from the date of execution hereof, with the privilege of an additional term of five(5) years upon the expiration of the term upon such conditions as the parties may then mutually agree.

An rental, Tenants shall pay to the Landlord, Twelve (12) per cent of the gross proceeds received from the sale of mica removed and processed from said lands, the same to be paid as said mica is delivered to and paid for by the purchaser or purchasers thereof.

Tenant shall keep a correct and itemized record of all operations and transactions under this lease and such records may be at any time inspected by the Landlord.

So long as this lease remains in force, Tenants shall in connection therewith have and enjoy the following rights and privileges;

(a) The right to use the surface of said land to the full extent that such use is reasonably convenient or necessary in mining, digging, milling, processing and removing said mica.

(b) The right to cut and use upon said lands for the purpose herein set out any timber standing thereon at the time of such use.

(c) The right to construct and place upon said lands, buildings and equipment and to remove the same

(d) The right to construct and maintain roads in such locations as Tenants may deem necessary or convenient, including the right to use the present farm roads now on said lands.

IN TESTIMONY WHEREOF, said party of the first part has hereunto set her hand and seal, the day and year first written.

s/ _____ (SEAL)
Mrs. Beulah Humphries

North Carolina

Cleveland County

I, the undersigned Notary Public in and for the aforesaid county and State do hereby certify that Mrs. Beulah Humphries, widow personally appeared before me this day and asknowledged the due execution of the foregoing instrument for the uses and purposes therein expressed.

Witness my hand and notarial seal, this the 3 day of February, 1953.

s/ A. I. Jolley
Notary Public

My Commission expires 3-27-53
(S E A L.)

STATE OF TENNESSEE
COUNTY OF KNOX

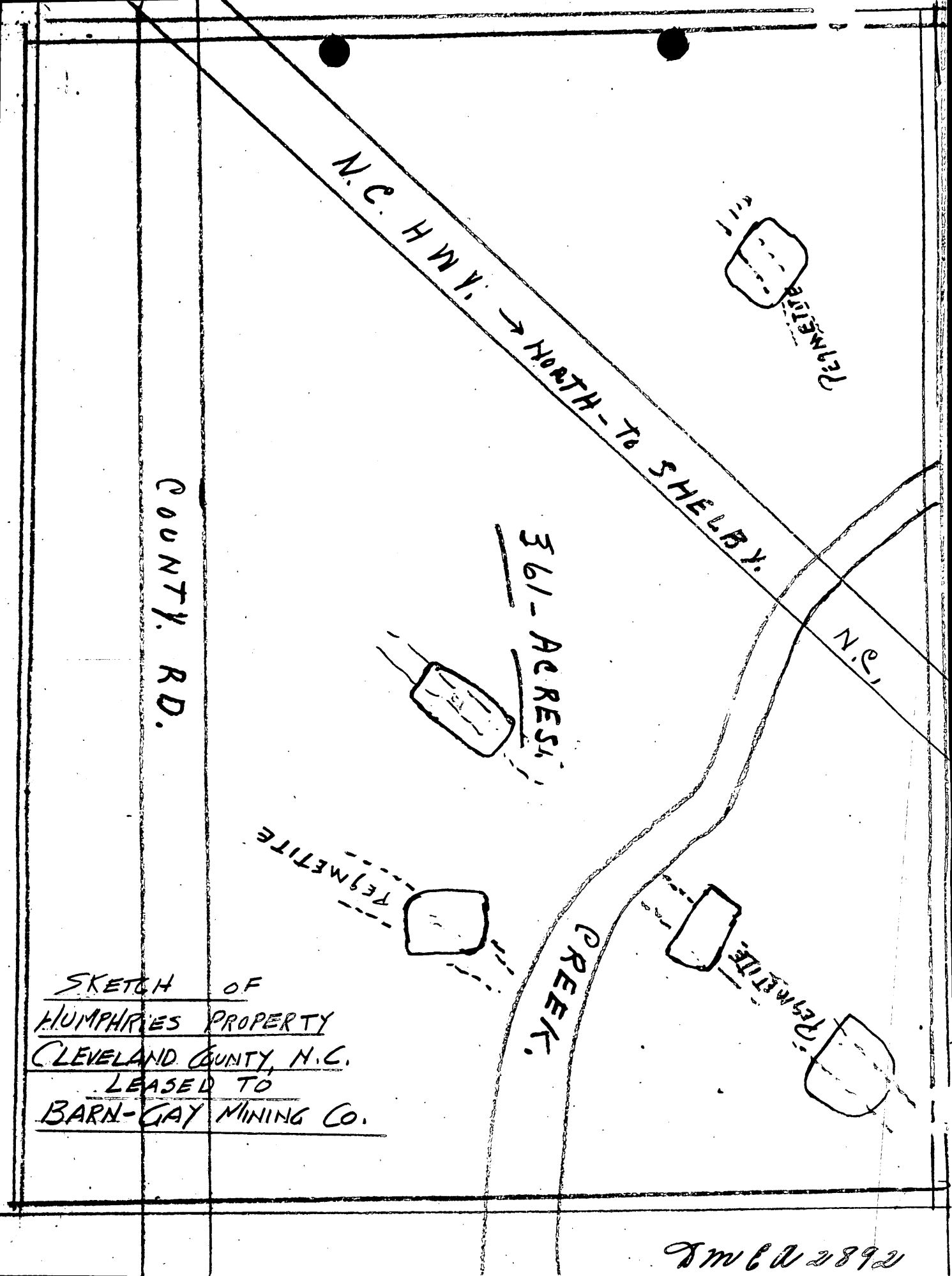
I, Mildred B. McRae, a Notary Public in and for said County and State do hereby certify that this is a true and correct copy of a mining lease, the original of which is signed by Mrs. Beulah Humphries, and sworn to by Mr. A. I. Jolley, a Notary Public for Cleveland County, North Carolina.

I further certify that I did not make this copy from the original but I did read the original and compared it with the copy and it was the same verbatim.

Witness my hand and seal on this 12 day of February, 1953.

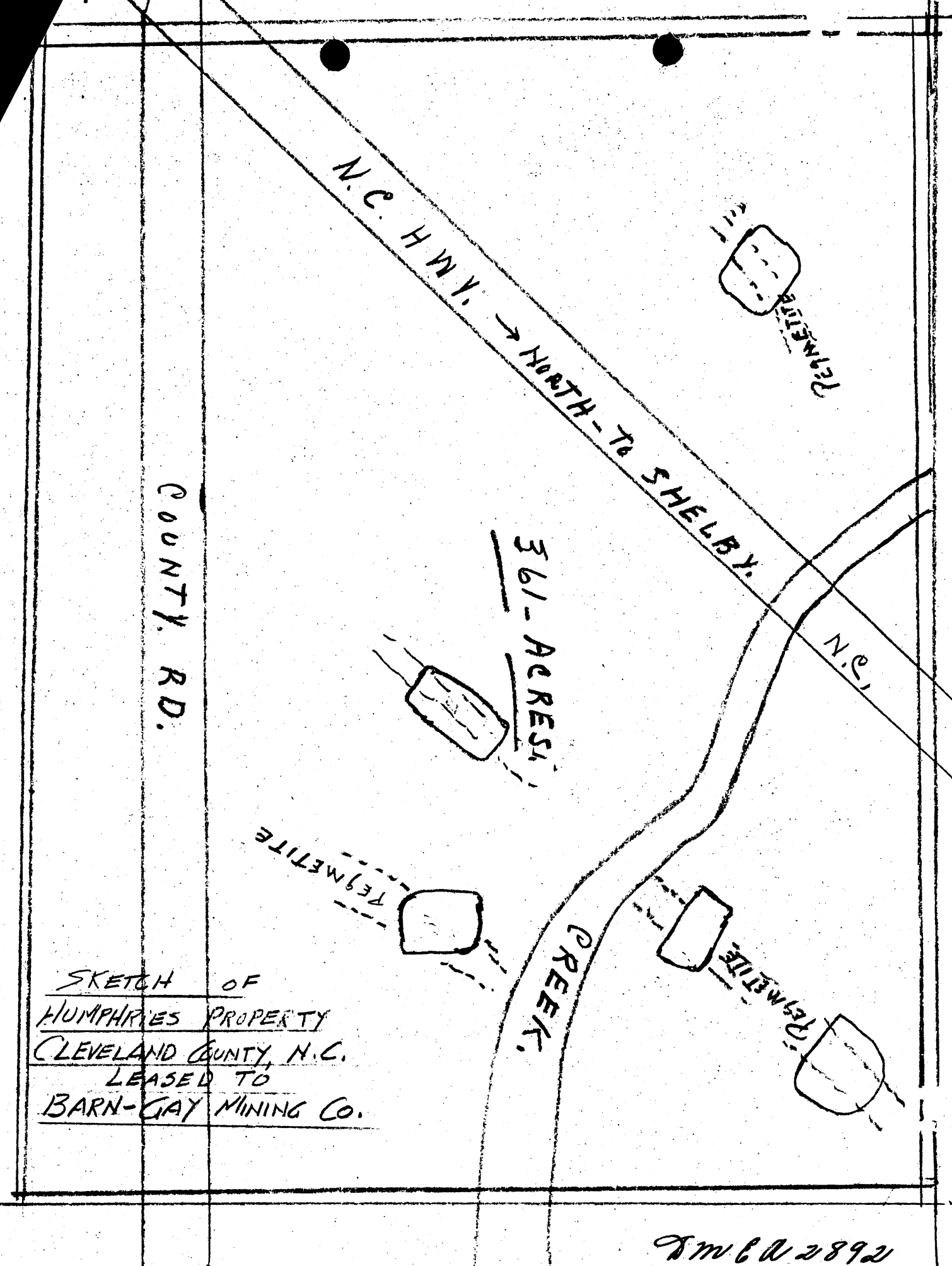
Mildred B. McRae
Notary Public

Commission Expires: January 23rd, 1956.



SKETCH OF
HUMPHRIES PROPERTY
CLEVELAND COUNTY, N.C.
LEASED TO
BARN-GAY MINING CO.

DMCA 2892



SKETCH OF
HUMPHRIES PROPERTY
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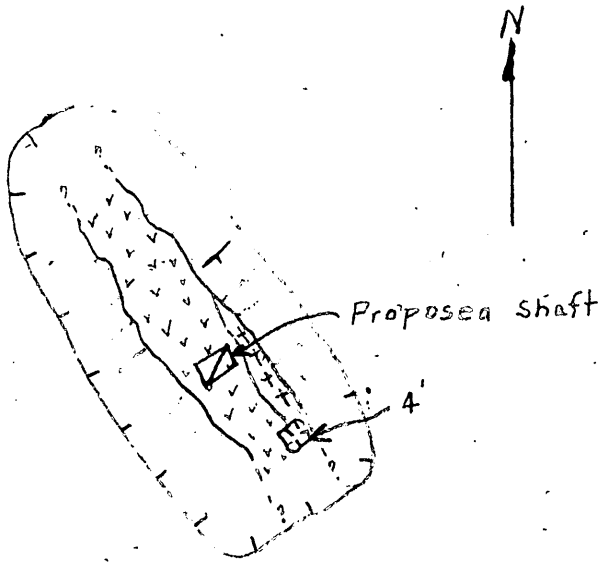
LEASED TO
BARN-GAY MINING CO.

DMCA 2892

Mr. Feitler



Sketch of
Humphries Prospect
Cleveland Co., N.C.

0 20' 40
Scale

DMEA-2812 (mica)

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

OFFICIAL BUSINESS

REQUISITION NO. 47413

THIS PACKAGE CONTAINS PHOTOSTAT PAPERS, IF IT SHOULD BE LOST OR MISLAID IN ANY WAY THE FINDER SHOULD RETURN SAME IMMEDIATELY TO THE DUPLICATING SECTION. ROOM 1061, INTERIOR DEPARTMENT BUILDING.

PLEASE RETURN ENVELOPE FOR RE-USE

SECRETARY

BUREAU NO. 68

DUPLICATING NO. 47413

TO Mark

ROOM NO. 4637

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