DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3139

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.

Copies to USGS, USBM AND TO REGION VII

Routing Slip

To:	Code 600, Rm. 4637	Date	8/10/53
To:	Anderson	Date	8/10/53
To:	Oper Comm	Date	9-11-53
To:	Code 600 Rm 4637	Date	9-15-53
To:	Oper Comm	Date	10-21-53
To:		Date	
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CONTROLLED DOCUMENT

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	WA	500
		500
3/29	on leave	120
		110
3/29	gad	220
		225

MAR 29 1960

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3139 (Mica)
C. W. Ellis, Sam L. Philips,
and L. E. Silver
Banner Mine
Mitchell County, North Carolina

Dear Mr. Phillips:

This is with reference to your letter of March 19, 1960, to Mr. Robert A. Laurence, and to Mr. V. J. Lynch's reply of March 22. Upon Mr. Lynch's request, we are enclosing the Mining Lease, dated August 3, 1953, submitted by you in connection with the cited denied application.

Sincerely yours,

(signed) FRANK E. JOHNSON

Acting Director

Enclosure

JWAlt/gla
3-28-60
cc to: Director's Reading File
OME Field Team, Region V (2)
Docket
Code 500
Chron

43683

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

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 24 1960

DATE	INITIALS	CODE
3/24	RCW	225
"	ALT	500
		225

March 22, 1960

Memorandum

To: Operating Committee, OME - Washington

From: Acting Executive Officer, OME Region V-Knoxville, Tenn.

Subject: Original Lease which accompanied application for DMEA assistance--
DMEA-3139-mica
G. W. Ellis, Sam L. Phillips, and L. E. Silver
Banner Mine, Mitchell County, North Carolina

Enclosed is a copy of a letter from Sam L. Phillips requesting return of the original lease of the old Banner Mine to Mr. Cling Ellis of Spruce Pine, N. C.

We do not have the lease in our files. It was probably forwarded to the Washington office with the application.

If you have the lease in your files please return it directly to Mr. Phillips.

V. J. Lynch

V. J. Lynch

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

EXTRA COPY
O. M. E
RECEIVED MAR 24 1960
DATE

March 22, 1960

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Dear Mr. Phillips:

We have been unable to find the original lease which Cling Ellis had on the Banner Mine when your application for DMEA assistance was submitted (Docket No. 3139). The original lease was probably included in the application when it was sent to our Washington office. We have therefore request the Washington office to return the lease directly to you.

Sincerely yours,

V. J. Lynch, Acting
Executive Officer, OME
Region V

VJL/sm

Spruce Pine, N. C.
March 19, 1960

Mr. Robert A. Laurence
DMEA Office
Knoxville 2, Tennessee

Dear Mr. Laurence:

3139

Several years ago Cling Ellis and I applied for a DMEA exploration loan on what is known as the old Banner Mine on Rass Silver property, Bandana, North Carolina. This application was turned down and Mr. Silver would like for the government to return the original lease that was filed with the government at the time.

It is important that Mr. Silver have this lease to help establish his complete excerise of ownership of the Banner property at that time.

Thanking you in advance for your prompt and kind attention to the above, I remain

Sincerely yours,

Sam L. Phillips

Sam L. Phillips

SLP

RECEIVED

FILE COPY
SURNAME:

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

MDe

Anderson
Houk
Strong, acting for
Dietrich
Larrabee
Hodges
Selfridge

OCT 21 1953

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMA-2139 - Mica
C. L. Ellis, Sam L. Phillips, and
E. L. Iver
Banner Mine
Mitchell County, North Carolina

Dear Mr. Phillips:

Your application for aid for an exploration project and other data available to us in Washington concerning your application have been reviewed.

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

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

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

Sincerely yours,

Frank E. Johnson (fw)

ACTING Administrator

LGHouk:gad 10/6/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S.
10-21-53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1953

October 20, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch.

Subject: DMEA-3139, Mica

Applicant: C. W. Ellis, Sam L. Phillips, and L. E. Silver.

Name and Location of Property: Banner Mine, Mitchel County
North Carolina

Date of Field Team report: September 29, 1953.

Field Team's Recommendation:

1. Denial of application on basis of the poor exposures and poor quality of the mica.

Comments:

1. No practical exploration program can be established on the basis of the exposures.
2. Old workings are inaccessible, or have been covered.
3. Without a definite objective, it would be unlikely that the work would result in discovery of mica.

Recommendation:

Denial of the application on the basis of the field team's recommendation.

Donald R. Irving

Donald R. Irving

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

Department of the Interior
Defense Minerals Administration
RECEIVED
OCT 21 1953

October 20, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Ceramic and Fertilizer Materials Branch.

Subject: DMEA-3139, Mica

Applicant: C. W. Ellis, Sam L. Phillips, and L. E. Silver.

Name and Location of Property: Banner Mine, Mitchel County
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Recommendation:

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Signed

Donald R. Irving

FILE COPY
SURNAME:

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

October 16, 1953

Anderson
Irving, acting for Dietrich

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and closing review.

Docket No. DMEA-3139 - Mica
Property: Banner Mine, Mitchell County, North Carolina
Located 700 yards N 37° E of Bandana Post Office.
Applicants: C. W. Ellis, S. L. Phillips and Walter Grindstaff
Amount requested: $13,250.00
No contract: Application denied
Examination Report of Field Team, dated September 29, 1953
Authors: R. A. Laurence, K. H. Teague, and L. E. Shirley

Denial letter: Copy of denial letter is attached.

Docket Summary:

8/10/53	Received application, Form MF-103.
8/10/53	Receipt of application acknowledged.
8/11/53	Received memo from D. M. Larrabee, USGS, recommending referral to field team for dump examination.
9/2/53	Received memo from W. F. Dietrich, recommending field examination.
9/11/53	Referral to Region VII for field examination.
10/2/53	Received Report of Examination by Field Team, Region VII Authors: R. A. Laurence, K. H. Teague, and L. E. Shirley. Field Team concurred in denial of application.
10/9/53	Received memo D. A. Brobst, USGS, concurring in Field Team's recommendation to deny the contract.

Resume:

This exploration concerns an old mica mine whose openings have been filled or cated, and the area of past mining is now in cultivation. The examiners found it difficult to appraise the possibilities of this deposit. Past history and extent of the Banner Mine are not well known. Reports indicate that the mine has been

R.C.G. 10-21-53

worked for about 200 feet on the strike and down to the water table at a depth of about 80 feet. The field team reports that the only exposure available for inspection, showed a pegmatite composed of microcline feldspar, burr, and a little mica, which is of poor quality. The examiners recommended that the safest action to take on this application is to deny it.

Comments and Recommendation:

This application project is an example of a difficult exploration to appraise. There is little observable criteria, and even with the historic report, a determination is difficult to make. The mine is reported to have been nearly worked out to the water table. Further work would be hampered by old workings and water. Exposures of pegmatite in the vicinity of the mine are poor. The Nonmetallic Minerals Division feels that the proposal is insufficiently sound to recommend for a contract. The application for exploration assistance should be denied.

Walter C. Anderson
Nonmetallic Minerals Division

WCAnderson:gad
10/16/53

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

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

October 16, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and closing review.

Docket No. DMEA-3139 - Mica
Property: Banner Mine, Mitchell County, North Carolina
Located 700 yards N 37° E of Bandana Post Office.
Applicants: C. W. Ellis, S. L. Phillips and Walter Grindstaff
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No contract: Application denied
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Resume:

This exploration concerns an old mica mine whose openings have been filled or caved, and the area of past mining is now in cultivation. The examiners found it difficult to appraise the possibilities of this deposit. Past history and extent of the Banner Mine are not well known. Reports indicate that the mine has been

worked for about 200 feet on the strike and down to the water table at a depth of about 80 feet. The field team reports that the only exposure available for inspection, showed a pegmatite composed of microcline feldspar, burr, and a little mica, which is of poor quality. The examiners recommended that the safest action to take on this application is to deny it.

Comments and Recommendation:

This application project is an example of a difficult exploration to appraise. There is little observable criteria, and even with the historic report, a determination is difficult to make. The mine is reported to have been nearly worked out to the water table. Further work would be hampered by old workings and water. Exposures of pegmatite in the vicinity of the mine are poor. The Nonmetallic Minerals Division feels that the proposal is insufficiently sound to recommend for a contract. The application for exploration assistance should be denied.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

IN REPLY REFER TO:
G-MD-CNM

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1953

October 6, 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3139 (Mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: Donald A. Brobst, U. S. Geological Survey
Applicant: C. W. Ellis, S. C. Phillips, L. E. Silver, Spruce Pine, North Carolina.
Name of property: Banner Mine.
Location of property: 700 yds. N. 37° E. of Bandana Post Office, Mitchell County, North Carolina.
Date of field team report: September 29, 1953.
Authorship of field team report: R. A. Laurence, USGS, K. H. Teague, USGS, L. E. Shirley, USBM.
Field team's recommendation:

The safest action on this application is denial, but any project should be set up in stages with no less than 3 drill holes into the old workings.

Comments:

1. Although no mine maps or other data are available, the mine is reported to have been nearly worked out to the water table. Any further work would be hampered by old workings, weathered wall rocks, and water. Exposures of pegmatite in the vicinity of the mine are poor and old works are inaccessible. We don't even know whether any pegmatite remains!

2. This property is adjacent to the Sink Hole property also explored on a DMEA contract; the problems of exploring the Banner Mine would be similar to those met in the Sink Hole operation.

ACTION SUGGESTED:

Follow field team's recommendation in denying the contract.

Donald A. Brobst

Donald A. Brobst

C
O
P
Y

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

September 30, 1953

Memorandum

To: Chairman, Operating Committee, IMEA - Washington

From : Field Team, DMEA - Region 7

Subject: Field Examination Reports

Transmitted herewith are 4 copies each of the following reports:

DMEA-3144, George Mine (mica) North Carolina

DMEA-3139, Banner Mine (mica) North Carolina

The Field Team is in agreement on the denial of these two examinations.

Wm. A. Beck, Acting Executive Officer
DMEA Field Team, Region 7

Benjamin Gildersleeve, Geologist
U.S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE

10-9-53
(date)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-3139, BANNER MINE
(mica)
Mitchell County, N. C.

BY

Robert A. Laurence, Regional Geologist
U. S. Geological Survey

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

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

September 29, 1953

Reviewed by
DMEA OPERATING COMMITTEE
10-9-53
(date)

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

Field Examination Report
on

DMEA-3139, BANNER MINE (mica)
Applicants: C. W. Ellis, Sam. L. Phillips and L. E. Silver, Spruce Pine, N. C.

Exposures are very poor at this place. All of the old openings have been filled or caved, and the area of past mining is now in cultivation. With the amount of information available, it would be most difficult to set up an exploration project with any chance of success; therefore, the examiners recommend that the application be denied.

The mine was examined on Sept. 24, 1953. Messrs. C. W. Ellis, S. L. Phillips, and Walter Grindstaff, accompanied the examiners on the inspection which required one hour.

The Banner Mine is 700 yards N. 37° E., of Bandana Post Office, Mitchell County, N. C. Access is excellent at all times.

The mine is northeast of the W. B. Ellis line which corners on an apple tree, and from 25 to 150 feet northwest of the line whose bearing is N. 15° E. (60 poles). All of the Banner is covered by the area under lease.

Past history and extent of the Banner Mine are only partly known. The mine was discovered and worked prior to 1900 and has been worked at various intervals since. The last work is reported to have been done during World War II, but there are no records of production. Various reports indicate that the mine has been worked for about 200 feet on the strike to a veriable depth, with the greatest depth of about 80 feet. All openings are now caved or have been filled. Apparently, the pegmatite has been rather completely worked out above the water table, thus future work must contend with caved openings.

The only exposure now available for inspection is in the small stream northeast of the area of intensive mining. In the branch a pegmatite about 8 feet thick is exposed. It is enclosed conformably by mica gneiss, strikes about N. 50° E. and dips 60° SE. The pegmatite is composed of microcline feldspar, burr, and a little mica. The mica from this exposure is of poor quality as contrasted to that which occurs scattered around the area of extensive works.

Reports are that the deeper workings experienced considerable difficulty with water and soft enclosing rock.

It is very difficult to appraise the possibilities of this deposit. Certainly at one time it was a substantial producer of mica; however, the condition and extent of the pegmatite in the deeper openings are unknown. At the present time there is no concrete data available on which to lay out an exploration program. Furthermore any work will be faced with the problem of heavy ground and water.

The examiners believe that the safest action to take on this application is to deny it.

Should a project be set up on the deposit, it should be staged-- with no less than three diamond drill holes drilled under the old works as Stage I.

Sept. 29, 1953

Robert A. Laurence, USGS

K. H. Teague, USGS

L. E. Shirley, USBM

zm

Mr. Anderson

DMEA 3139

GENERAL SERVICES ADMINISTRATION

Office of the Director
Defense Minerals Administration
RECEIVED
OCT - 1 1953

Spruce Pine, North Carolina

August 26, 1953

Mr. S. L. Phillips
Spruce Pine, North Carolina

Dear Mr. Phillips:

We are pleased to advise that the sample of mica from the Banner Mine you presented for our evaluation is of the ruby variety and if properly prepared, will be acceptable on the government's mica purchasing program.

Yours very truly,

W. S. Flynt, Superintendent
Spruce Pine Mica Depot

FILE COPY
SURNAME:

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

600

Anderson
Houk
Hedges
Kinsel
Selfridge
Johnson

SEP 11 1953

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-3139 - Mica
C. W. Ellis, Sam L. Phillips,
and L. E. Silver
Banner Mine
Mitchell County, North Carolina

Dear Mr. Phillips:

Your application for assistance in exploring the subject 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 can give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 9/9/53
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

9-11-53

FILE COPY
SURNAME:

Anderson
Hoak
Selfridge

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

600

SEP 11 1953

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

Subject: Docket No. DMEA-3139 - Mica
C. W. Ellis, Sam L. Phillips,
and L. E. Silver
Banner Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Please review the subject application and arrange for a field examination if you deem it advisable.

In plotting the metes and bounds in property description, there is noted a slight error in the closure. Please tie the workings to one of the corners.

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

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (WCB)

Approved:

J. H. Hedges

Member, Bureau of Mines (WCB)

A. R. Kinkel, Jr.

Member, Geological Survey (WCB)

Enclosures 4

WCAnderson:gad 9/9/53
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

9-11-53

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration
SEP 3 1953

September 2, 1953

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3139, Mica, Banner Mine, Ellis, Phillips, and Silver
Mitchell County, North Carolina

No data are available in this office on subject mine.

It is suggested the field team visit this mine when a member of the field team is in that vicinity to ascertain if an exploration program is justified.

W. F. Dietrich

W. F. Dietrich

Ellis, C W

GEOLOGICAL SURVEY DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 12 1953

IN REPLY REFER TO:
G-MD-CNM

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

August 11, 1953

Memorandum

REVIEW OF APPLICATION DMEA-3139 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey.
Applicant's name and address: C. W. Ellis, Sam Phillips and L. E. Silver, Spruce Pine, North Carolina.
Name of property: Banner mine.
Location of property: Mitchell County, North Carolina.
Summary of applicant's proposal:
1) 125'x5'x7' shaft (total for 1 or 2?).
2) 200' drifts.
Sources of information on applicant's property:
"Sinkhole and Banner mines," by J. M. Parker III, unpublished U.S.G.S. report, Oct. 1943.
Comments:
1) "The inactive Banner mine workings lie 200'-300' farther southeast on the slope of the ridge, at least one 100' shaft with an 80' drift (filled) and a 150' tunnel were worked on a pegmatitic zone in alaskite."
2) "The Banner mine was discovered in 1884. It was worked at different times by various operators, and is reported to have been very profitable. All the workings except 1 tunnel were filled or caved a number of years ago, and the mine is not worked now."
3) The proposal indicates 2 shafts, but there can be only 1, with a depth of 125', or sufficient to get below the old workings.
4) This shaft will have considerable trouble if old workings are encountered.
5) The operations at Sinkhole (nearby) have met with considerable difficulty because of water, and similar conditions might be expected here.
6) The proposal calls for 200' drift. This is far more than is customarily granted, and I believe it is too much in this case.
7) It appears to me that this proposal calls for too high an expenditure, and is at best a very long shot.

I should prefer to see promising new pegmatites explored, at less cost each rather than continuing to mess around with this type of thing that we may reasonably expect to give trouble, partly because of our lack of knowledge of the old workings.

8) If the old dumps are still in a condition to be examined, it is suggested the Field Team look them over to get some idea of type of pegmatites to be expected.

RECOMMENDATION:

Refer to Field Team for possible dump, etc. examination when they are in the area checking the Sinkhole mine.

Note: Please send Field Team a copy of this memorandum.

D. M. Larrabee

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 8/10/53

REFERRED TO: Code 600, Rm. 4637

1.
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	
..... Conference	..... Referring to .....
..... Consideration	
..... Filing	..... Reply for signature of .....
..... Instructions	
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS:

This is to be attached to DMEA-3139

Check (X) before the items needing attention.

ROBERT E. ADAMS

Initials of sender.

GPO 16—63815-1

25 - copies
sent 8-11-53
gad

We need a supply of Owner's Consent
To Lien Revised July 1, 1953

Send to Sam
Phillips
Spruce Pine
N. C.

DMEA-3139

Department of the Interior
Bureau of Reclamation
Received
AUG 10 1953

~~Miss Shawner — Please send this request, where ever you sent the appl.~~

~~Thanks Gray.~~

August 10, 1953

Mr. Sam L. Phillips
Spruce Pine
North Carolina

Subject: DMEA-3139
Re: Exploration Assistance
Panner Mine

My dear Mr. Phillips:

The receipt of your application dated August 6, 1953, for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3139 and referred to the Nonmetallic Minerals Division.

Kindly refer to DMEA-3139 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

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

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION Administration
RECEIVED
AUG 10 1953

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

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

Not to be filled in by applicant

Docket No. DMEA - 3139
Metal or Mineral
Date Received 8/10/53
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: C. W. Ellis, Sam L. Phillips, and L. E. Silver all of Spruce Pine, N. C.

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

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

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

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

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract This is lease property and the Landlord is one of the lessees and therefore, no royalty is to be paid (Lease is attached in 3 (d) below.

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

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

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

(*e*) If you own the land, describe any liens or encumbrances on it Not owner as explained in 3 (a) above.

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

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

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

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

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

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

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

.....

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated August 6, 1953

.....
(Applicant)

By Sam L. Phillips

.....

.....

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

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

MF 103

1. (a) C. W. Ellis, Sam L. Phillips, and L. E. Silver all of Spruce Pine, N. C.

   (b) Partnership

2. No Answer

3. (a) This is lease property and the Landlord is one of the lessees and therefore no royalty is to be paid (Lease is attached in 3 (d) below)

   (b) Banner Mine.

   (c) Lessee

   (d) Lease is attached as Exhibit A.

   (e) Not owner as explained in 3 (a) above.

   (f) Land is held by Landlord. No land patents involved.

4. (a) Physical works set forth on map attached as Exhibit B.

   (b) This mine has been operated at intervals for the past 75 years, and it has produced large quantities of high grade Ruby Mica.

   (c) This mine is very close to the old Sink Hole Mine, and has been operated mostly by series of shafts. The majority of the work done at this mine was done prior to the days when good pumping facilities were available.

   (d) This property is readily accessible in that a good road leads ~~within~~ to the mine. The prospect is located 1/4 mile of Bandana, N. C.

   (e) There is ample experience manpower available. Electricty is within 200 ft. of mine. No difficulty is contemplated in obtaining equipment and supplies.

5. (a) It is anticipated that the pegmatite contains additional quantities of Ruby Mica of stockpile grade.

   (b) It is proposed to sink a shaft 5 x 7 a depth of 125 feet considerably below any of the previous workings. Then it is proposed to drift in the pegmatite a distance of 200 feet (100 feet in each direction from the bottom of the shaft.)

   (c) The work will be started as soon as the contract is approved by the Governmnet and the work should be concluded within 1 year.

   (d) Attached as Exhibit C.

6. Estimate of Costs.

   (a) Independent Contracts-None.

(b through h.)	125 feet of 5 x 7 shafting	$50.00 per ft.	$6250.00
	Drift 200 feet	35.00 per ft.	7000.00
		Total	$13250.00

7. (a) Applicant will pay in money the 10% required by regulation.

CLINGHAM W. ELLIS

Clingham W. Ellis was born March 17, 1914, at Toecane, Route 1, North Carolina. Toecane is approximately twenty miles from Spruce Pine the center of the mica industry in North Carolina.

He attended grammar school at Bakersville, North Carolina, until 1929, the time of his father's death. At that time he had completed the eighth grade, and has not had the opportunity to further his formal education. He farmed his deceased father's farm from 1929 to 1933, and during the depression he worked at the C.C.C. Camp No. 14 at Smokey Mountain Park.

From 1934 to 1939 he was employed by the State Highway Commission, first as a laborer and later as a foreman, on its bridge building crew.

He mining experience from 1940 to 1948 was interrupted during the years 1942 to 1943 while he was employed as a watchman for the Devolt Safe and Lock Company, Canton, Ohio.

His mining experiences are:

1940 - 1941 Partnership of himself and Aud Grindstaff on the J. E. Ellis Property in Mitchell County, N. C.
1944 Partnership of himself and Earl Shuford, Roberson Mine, near the Sink Hole Mine, Mitchell County, N. C.
1945 Partnership of himself and Ernest Johnson, Bear Creek Mine, on the property of the Bailey heirs, Flat Rock, Mitchell County, N. C.

After the fall of the price of mica in 1945 he commenced his present business of saw mill operation and lumber sales, which are listed as follows:

1947 - 1948 Owned and operated saw mill at Snow Creek, N. C., where he employed from six to seven persons.
1949 - Became a partner with Frank Phillips in the saw mill business, and later associated with Frank Phillips, Samuel W. Thompson to form the Mitchell Lumber Company, a corporation. This lumber Company is now one of the largest in the Tri-County, Avery-Mitchell-Yancey, area.

* * * * * *

References:

Fletcher O. Phillips,
Spruce Pine, N. C.
O. V. Coulter, Partner,
Phillips and Coulter, Spruce Pine, N. C.
Charles Slagle, Postman,
Toecane, Route 1, N. C.

L. E. Silver

Mr. L. E. Silver was borned at Bandana, North Carolina, 52 years ago. He has worked in the dump of the old Sink Hole Mine, when just a kid, and later he and other members of his family sank what is known as the Silver Shaft at the Sink Hole Mine. He has been connected with the mining business all of his life, and at present is employed by Carolina Mineral Company.

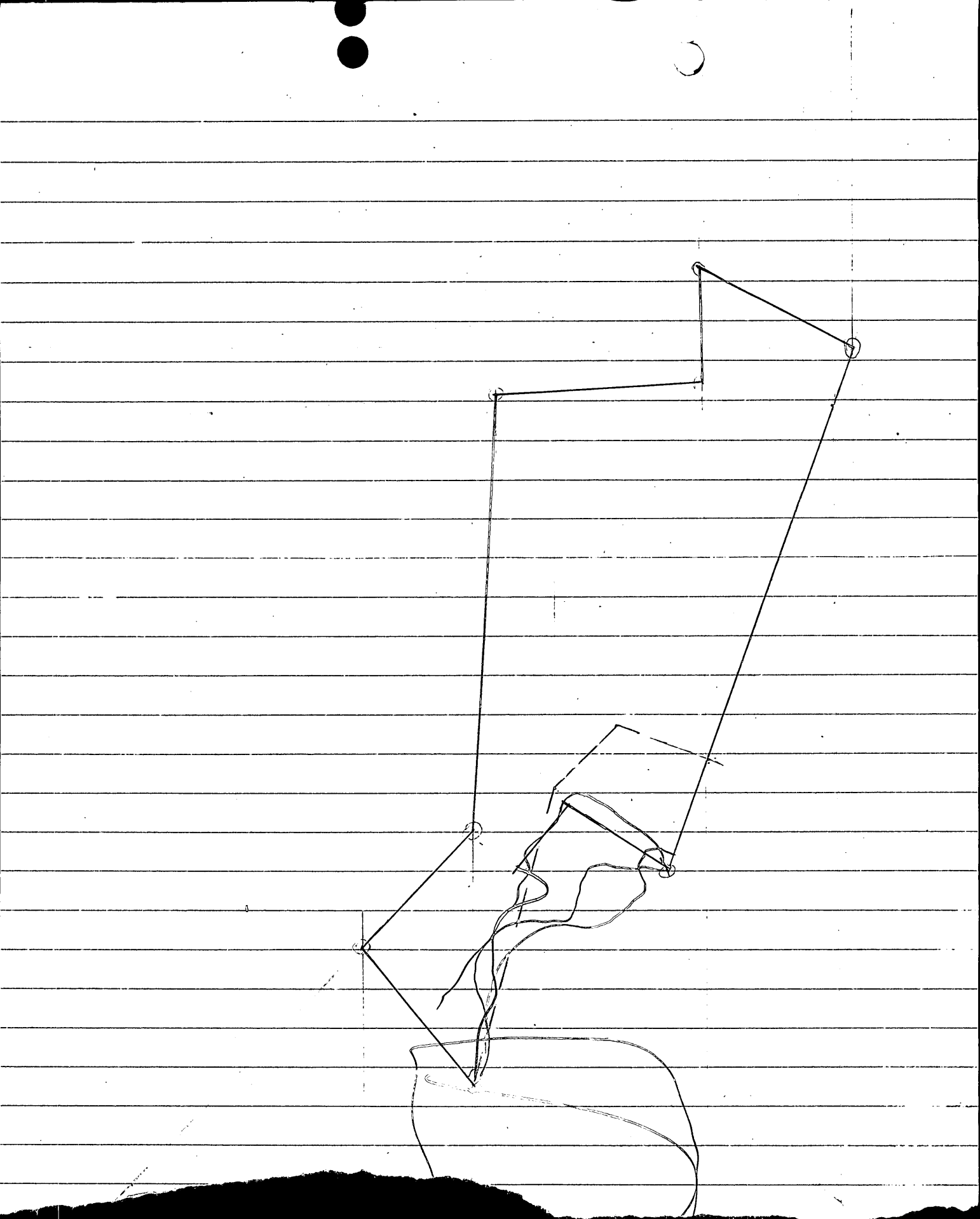
He has a good reputation in this community for honesty and trustworthyness.

For references:

Mr. Avery Willis
Toecane
N. C.

Mr. R. B. Phillips
Toecane
N. C.

Mr. Walter Berry
Bakersville
N. C.



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 Catolina, County of Mitchell, described as follows:1/

Beginning on a stake, the Fred E. Silver corner in the W. A. Robinson line and running N. 19-25 E, 1812.2 ft. with the Fred E. Silver line to a stake; thence N. 63-00' W, 561.0 ft. to a Sourwood tree, thence S. 00-40' E, 363.0 ft. to a Chestnut tree; thence S. 87-00 W, 675.0 ft. to a rock in the Garrett Buchanan line; (Continued on attached page

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/ C. W. Ellis, S. L. Phillips, and L. E. Silver . trading and doing business as Banner Mica Miners.

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 3 rd. day of August, 1953.

/s/ L. E. Silver [Seal]

/s/ Hurtha Silver [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.

RELEVANT CONTRACT PROVISIONS

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.

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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.

thence S. 3-30' W, 1423.0 ft. to an iron peg, thence S. 44-00' W, 852.0 to a Cherry tree, the W. B. Ellis corner; thence S. 38-00' E, 569.0 ft. to an Apple tree; The branch N. 150 E. 60 poles to a Spanish Oak the beginning corner and W. A. Robinson corner near a small Spring containing 42 2/3 acres more or less. Thence N. 45-30' E, 285.5 ft. to a Hickory and Poplar, thence S/ 68-40 E, 325.5 ft. to a stake the beginning corner containing 42.37 acres more or less.

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 Mitchell, described as follows:1/

Beginning on a stake, the Fred E. Silver corner in the W. A. Robinson line and running N. 19-25 E, 1812.2 ft. with the Fred E. Silver line to a stake; thence N. 63-00' W, 561.0 ft. to a Sourwood tree, thence S. 00-40' E. 363.0 ft. to a Chestnut tree; thence S. 87-00 W, 675.0 ft. to a rock in the Garrett Buchanan Line; (Continued on attached page

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/ C. W. Ellis, S. L. Phillips, and L. E. Silver, trading anddoing business as Banner Mica Miners.

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 3rd. day of August, 1953.

/s/ L. E. Silver [Seal]

/s/ Hurtha Silver [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.

RELEVANT CONTRACT PROVISIONS

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.

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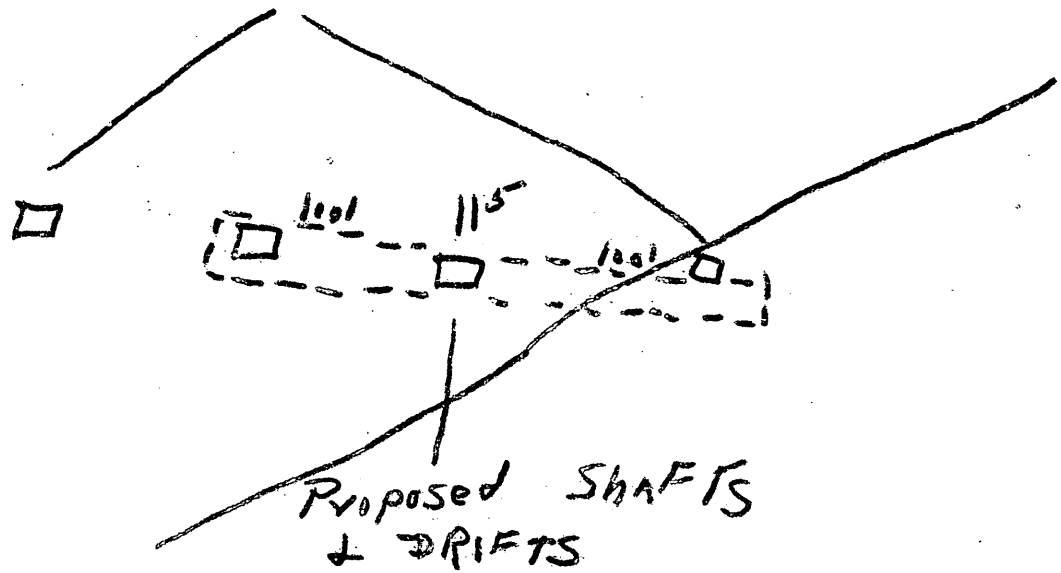
BANNER MINE

OLD ABANDONED SHAFTS



DMEA-3139

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

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Mr. George C. Selfridge
Chairman, Operating Committee
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.