REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Field Officer, OME

Concerning: Mines & Mining, Inc.
Docket No. DMER-3265-Mica
Property Earlow Gap Mine
Location Transylvania County, North Carolina
Contract IDM-E830

Date:

Write to:
Mr. Dean S. Hasbrouck
Mines & Mining, Inc
P.O. Box 8184
Asheville, North Carolina

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return one copy to this office with copies of any pertinent documents.

Field Officer

1. Since 7/1/59, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☐

2. Since 7/1/59, has there been any production from the property?* Yes ☐ No ☐

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

Check with Bureau of
land management for
Ranger or Supt. Nat'l.
Forest - write regular
letter - instead of form
to Geo. who abandoned
land long ago

Lands Division

Re Pisgah Natl. Forest

Forest Supr.
Peter J. Hanlon
replied april 6, 1962
JMM

No. Production
File closed 7/8/58

F.51

3/28/67

DMEA Form 9

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE E-830 DMEA NO. 3265

Application (Denied
(Withdrawn
(After disposition, delete items not applicable)

Contract (Terminated - not Certified
(Cancelled
✓(Terminated - ~~Certified~~ Pseudo-
(Royalty Agreement

This is the official contract file containing all official records of the project. The records contained in the files are checked and are arranged in this order:

Left Side

Interim Royalty Audits
Reports of Royalty Review
Certification of Discovery
Certificate of Audit (Final)
✓Interim Audit(s)
✓Report of Review
✓Termination Notice or Agreement
Recision Notice
Assignment of Contract
✓Contract Amendments (latest on top)
✓Contract with all exhibits and annexes
~~Owner's Consent to Lien~~ GUARANTY OF PAYMENT OF ROYALTY
✓Subordination Agreement
✓Leases and assignments of leases
✓Application and attachments
(3) Envelope for maps

Right Side

✓Project summary
Work completed analysis
All other material is filed in chronological order with correspondence including the following reports as checked:

✓Final Field Team Report (Tab)
✓Operator's Final Report
(2R) ✓Interim Reports
(2R) ✓Operator's monthly reports and all attachments (latest on top)
✓On-site Exam Report(s) (Tab)
(4) Settlement Sheets

When the volume of records is expected to warrant additional folders, or when convenience of reference warrants separate folders for certain records, they should be set up in this order:

Left Side

Folder No. 2: (In chron. order)
Interim Summary Reports by W. O. Engineers

Right Side

Operator's Semi-Annual Report for Certified Project, Field Team Interim Reports, Operator's Monthly Report with transmittal, narrative, maps, and Field Team review.

Folder No. 3: Maps (Use pocket folder or envelope. Fold maps with title block out and show reference to related document or correspondence.)

Folder No. 4: Settlement Sheets

Folder No. 5: Drill Logs

9775

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Washington office pertaining to Contract Idm-E830, Docket OMEA-3265 (mica), dated June 28, 1955, with

Mines & Mining, Inc.
P. O. Box 5184
Asheville, North Carolina

for the purpose of determining the amount of royalty payable to the U. S. Government on sales of minerals from property referred to as the Farlow Gap Mine located in Transylvania County, North Carolina, during the period July 2, 1959, through June 22, 1962.

In accordance with a December 5, 1956, Termination Agreement, Amendment No. 1, and Article 7 of the contract, royalty is payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review dated June 11, 1957, indicated accepted costs under the exploration contract amounting to $1,355.00 with the Government's contribution on a 75 percent basis being $1,014.75.

The status of the project, the scope of review, and the reasons therefor are stated on page 2.

This review established no sales subject to the Government's royalty subsequent to the period covered by a prior Report of Royalty Review which also found no sales subject to the Government's royalty through July 1, 1959. Accordingly, as of June 22, 1962, the royalty account of this project was found to be:

Total Royalty Payable	$ -0-
Total Royalty Paid	-0-
Balance of Royalty Due	$ -0-

E. D. Talbert
E. D. Talbert, OME Auditor

July 25, 1962

STATUS OF PROJECT, SCOPE OF REVIEW
AND REASONS THEREFOR

The Termination Agreement obligates the Operator, as principal if the producer or as surety if not the producer, to pay to the Government a percentage royalty on all minerals produced from the land under the contract. The land consists of 14 acres, more or less, located on Shuck Branch in the Pisgah National Forest. At the time the contract was executed the Operator was in possession by virtue of a March 10, 1954, assignment by Marvin Owen, Route 2, Brevard, N. C., of a 5-year mineral lease (No. NLM-A 021553) granted by the Bureau of Land Management on August 1, 1952. In consideration of the waiver of the requirement for an Owner's Consent to Lien, a Guaranty of Payment of Royalty was executed on June 9, 1955, by Wm. S. McCrady, 2 West Jordan Street, Brevard, N. C., but the contract contains no reference thereto.

Exploration work under the contract was recessed for the winter on December 7, 1955, and never resumed. Production during the exploration period consisted of an estimated 1,200 pounds of poor quality mica, which the DMEA Field Team reported "was not worth the expense of hauling to town and preparing for sale".

Inspections of the property, conferences with Forest Service employees, and checks of the G.S.A. Mica Purchase Depot's records by DMEA and OME regional representatives have disclosed no further production from the property through July 1, 1959. Furthermore, it appears that the Operator abandoned the property shortly after discontinuance of the exploration work.

In an April 6, 1962, reply to an inquiry, the Forest Supervisor advised that there was no production subsequent to July 1, 1959, and that the lease file had been closed on July 8, 1958. An examination by a representative of the Contract Administration and Audit Division during the week ending June 22, 1962, of the records of the Spruce Pine Depot did not disclose any sales of production from this property.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The files contain no evidence of any sales of production from the property under this contract; and
(2) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

OFFICE OF MINERALS EXPLORATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF ROYALTY REVIEW

I have reviewed the files of the Office of Minerals Exploration, Washington, D. C., pertaining to Contract No. Idm-E850, Docket No. DMEA-3265 (Mica), dated June 28, 1955, with

Mines & Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

for the purpose of determining the amount of royalty due the U. S. Government on sales of minerals from property referred to as Farlow Gap Mine located in Transylvania County, North Carolina, during the period June 28, 1955, through July 1, 1959.

In accordance with Amendment No. 1 of the contract and Article 4 of Termination Agreement dated December 6, 1956, royalty is payable on all minerals mined or produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first. A Report of Review in lieu of final audit dated June 11, 1957, indicated accepted costs under the exploration contract amounting to $1,353.00 with the Government's contribution, on a 75 percent basis, being $1,014.75.

This review was made in lieu of an on-site audit of the Operator's accounts and records for the following reasons:

(1) The exploration work was discontinued and the contract was terminated before the target area was reached or any saleable mica was encountered;

(2) Inspection reports by field representatives of the Government and other information in the files indicate that during the period covered by this review there has not been any saleable production from the property subject to the contract; and

(3) The administrative cost to the Government of an on-site royalty audit at this time would be excessive in relation to the amount of possible royalty which might be disclosed.

C. E. Fisher

C. E. Fisher, OME Auditor

November 18, 1960

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Mines and Mining, Inc.
P. O. Box 6184
Asheville, North Carolina

pertaining to Exploration Project Contract No. Lim-E830, Docket No. DMEA-3265, including Amendment No. 1 and a Termination Agreement dated December 5, 1956, for the months of July 1955 to November 1955, inclusive, covering a project for the exploration of mica on property, known as the Parlow Gap Mine located in Transylvania County, North Carolina.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, verification of work performed by reference to Field Team reports and correspondence, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reason:

all of the costs incurred were under a contract provision for payment by the Government on the basis of fixed unit costs of work actually performed.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$1,629.25
Exceptions:		
By DMEA Finance Officer (unauthorized shaft 6½' @ $42.50)	$276.25	
Herewith	-0-	276.25
Total Accepted Cost		$1,353.00

The contract calls for a 75 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of One thousand fourteen and 75/100 Dollars

$1,014.75

is considered valid and proper, provided that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

E. D. Talbert, Auditor

June 11, 1957

Docket copy

TERMINATION AGREEMENT

It is agreed this 5th day of December, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Mines and Mining, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-2830 (Docket No. DMEA-3265), dated June 28, 1955, hereinafter called the "Contract," that:

1. Effective October 1, 1956, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute only to the fixed unit costs of work performed prior to said effective date.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government provided for in the Contract with respect to percentage royalty and liens for its payment, records, audits, and recovery of any overpayment, are preserved. The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government the royalty on production provided for in the Contract, in the same manner and amount, and for the same period, and subject to the same conditions provided in the Contract, as if certification of discovery or development had been made, such certification being hereby waived by the Operator.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this termination agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

Indritz 11/23/56
Berger
Anderson
Hawk
Colbert
Selfridge
Fitzhugh

By Robert A. Lawrence
Executive Officer
DMEA Field Team, Region V

MINES & MINING, INC.

By Roger A. Smith

Title Pres. Treas.

Docket Copy

RECEIVED

MAR 12 1956

Anderson
Work
Chapman
Selfridge
Johnson

EXPLORATION PROJECT CONTRACT
MINES & MINING, INC.
DOCKET NO. DMEA-3265

Amendment No. 1

It is agreed this 5th day of March, 1956, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mines & Mining, Inc., parties to Exploration Project Contract Idm-8830 (Docket No. DMEA-3265), dated June 28, 1955, that the Contract is amended to read as follows, effective December 1, 1955:

1. Work under the Contract shall be suspended during the period beginning November 30, 1955, and ending not later than May 1, 1956.

2. The time for completion of the work, specified in Article 3 of the Contract, is extended from December 1, 1955, to September 30, 1956.

3. The maximum period for royalty payments and lien to secure the payment thereof, specified in the Contract as "ten years from the date of the Contract" is hereby extended to June 28, 1966.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, nor the fixed unit cost of any item of work.

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Robert A. Lawson
Executive Officer
DMEA Field Team, Region V

MINES & MINING, INC.

By Regan S. Hasbrook

Title Pres.

Docket copy

RECEIVED
JUN 16 1955

RECEIVED
JUL - 5 1955

MF-200A
(Revised June 1954)

Docket No. DMEA - 3205

Commodity Mica

Contract No. Idm-E 830

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
EXPLORATION PROJECT CONTRACT[1]
(Short Form)

It is agreed this 28th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Mines & Mining, Inc.,

whose mailing address is P. O. Box 3134 Asheville, North Carolina,

hereinafter called the "Operator," as follows:

ARTICLE 1. *This contract* is entered into under the authority of the Defense Production Act of 1950, as amended. It consists of this form (MF-200A), the attached Exhibit "A," Annex I, and

The Operator shall not transfer or assign this contract or any right thereunder without the written consent of the Government.

ARTICLE 2. *Operator's property rights.*—(a) The land which is the subject of this contract (hereinafter called "the land") is in the State of North Carolina, County of Transylvania, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

(1) The Operator is the [4] lessee of [5] the mineral rights in the land, in possession and entitled to possession for all of the purposes of this contract, under and by virtue of a [6] lease, [7] un recorded in Book , page , official records of said County; and

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: none

(c) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above, and (if the Operator does not hold the legal title) the Consent to Lien of any holder of the legal title of the land (lessor, seller, optionor, etc.), are attached, as follows: Owner's Consent to Lien waived.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] Insert name, and if an organization, its nature (corporation and place of incorporation, partnership with names of partners, etc.).
[3] State on a separate sheet marked "Annex I" the legal description or enough to identify the property, particularly excluding any areas from which the production is not to be subject to the Government's percentage royalty.
[4] Insert "owner," "lessee," "contract purchaser," "locator," etc.
[5] Insert "the entire interest," "the mineral rights," "an undivided one-third," etc.
[6] Insert "deed," "lease," "contract," "location notice," "patent," etc.
[7] If not recorded, so indicate by inserting "un."

(d) The Operator shall preserve and maintain his right, title, and interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. Until the lapse of the time within which the Government may make a certification of discovery or development without any such certification having been made, and after any such certification has been made, the Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof. If the Government makes no certification of discovery or development within the time limited in Article 7, it shall thereafter have no claim against the land or any production therefrom except for any production referred to in Article 7(b)(1).

ARTICLE 3. *The exploration project.*—The project is a search for indicated or undeveloped deposits of Mica. The work to be performed is described in Exhibit "A." The Operator on or before Aug. 15, 1955 shall commence the work, and on or before Dec. 1, 1955 (unless the Operator's obligation to complete the work is terminated—see Article 8) shall complete the work.

ARTICLE 4. *Performance of the work.*—(a) *Operator's responsibility.*—The work shall be performed with reasonable diligence, efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for liability insurance covering employment; and with suitable and adequate equipment, facilities, materials, supplies, and labor, to bring it to completion within the time fixed.

(b) *Government may inspect.*—The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract, and also after a certification of discovery or development to inspect production operations and underground workings. The operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 5. *Contribution by the Government.*—A fixed cost for each unit of work to be performed (per foot of drifting, per foot of drilling, per hour of operations, etc.) is hereby agreed upon, and is set forth in Exhibit "A" in connection with the estimated total cost of the project in the sum of $5,136.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,852.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final 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 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

ARTICLE 6. *Reports, accounts, audits.*—(a) *Operator's records.*—The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine any pertinent books, documents, papers, and records of the Operator. All of the Operator's vouchers and records and accounts relating thereto and the Government's payments thereof remain subject to adjustment until final audit by the Government.

(b) *Progress reports and vouchers.*—The Operator shall provide the Government with five copies of monthly progress reports in three sections as follows: (1) Operator's Monthly Report and Voucher showing a detailed statement of units of work performed during the reporting period; (2) Operator's Unit Cost and Progress Report showing the various types of work performed during the reporting period and the fixed unit costs incurred for each type of work; and (3) a Narrative Report of the work

performed during the reporting period including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground. (Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) *Final report.*—Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with five copies of a final report (in addition to the final progress report and voucher). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) *Report of sales.*—The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's percentage royalty relates, such as copies of smelter or concentrator settlement sheets, and certified accounts of production and sale or other disposition of production.

(e) *Compliance with requirements.*—If in the opinion of the Government any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the making or completion of such with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records or accounts.

ARTICLE 7. *Repayment by Operator.*—(a) *Certification.*—If the Government considers that a discovery or development from which production may be made has resulted from the work, the Government, at any time not later than six months after a sufficient final report and final account (see Article 6) has been rendered, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (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, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

(c) *Basis for computation.*—The Government's royalty shall be a percentage of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrates, metal, or equivalent), at the point of delivery (the f. o. b. point); *except,* that charges of *the buyer* arising in the regular course of business, and shown as deductions on the buyer's settlement sheets, on account of the cost of treatment processes performed by *the buyer,* sampling and assaying to determine the value of the production sold, and freight paid by *the buyer* to a carrier (not the Operator), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. Any costs of treatment processes, sampling or assaying, or transportation, performed or paid by the Operator or by anyone other than the buyer, are not deductible in arriving at the "gross proceeds" as that term is here used. The term "treatment processes," as here used, means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground, to put it into a commercially marketable form; excluding fabricating or manufacturing.

(d) *Unsold production.*—If any production (ore, concentrates, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used by the Operator in integrated manufacturing or fabricating operations (for instance, if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrates, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used by the Operator in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time when it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) *Percentages of royalty.*—The percentages of the Government's royalty shall be as follows:

One and one-half (1½) percent of amounts ("gross proceeds" or "value") not in excess of eight dollars ($8.00) per ton of production in the form in which sold, held, or used, plus one-half (½) percent for each additional full fifty cents ($0.50) by which such amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such amounts.

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

(f) *Time for computation and payment.*—The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be, as above provided in this article.

(g) *Lien for payment.*—To secure the payment of its percentage royalty, there is hereby granted to the Government a lien upon the land or the Operator's interest in the land and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(h) *Notice to purchasers.*—The Operator shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Administrator, Defense Minerals Exploration Administration, or his successor, and his estimate thereof shall be final and binding upon the Operator.

(i) *No obligation to produce.*—Nothing in this contract is to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(j) *Government not obligated to buy.*—Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals mined or produced from the land.

ARTICLE 8. *Termination of the Government's obligations.*—(a) If in the opinion of the Government operations at any time have failed to achieve anticipated results that indicate the probability of making a worthwhile discovery, and in the opinion of the Government further operations are not justified, the Government may give the Operator written notice thereof, and thereupon the Government shall be free of all obligation to pay on account of units of work not then performed, and the Operator shall be free of all further obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting.

(b) If in the opinion of the Government the Operator is in any manner in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to winding up, reporting, and accounting. The remedy provided for the Government in this paragraph "(b)" is in addition to any other remedy provided in this contract, and in addition to any other remedy the law may provide for breach of contract.

(c) The giving of any notice by the Government under the provisions of this Article 8 shall not affect the Government's rights as provided for in the contract with respect to a percentage royalty, and such rights shall be fully preserved.

ARTICLE 9. *Notices to be given by the Government* may be delivered to the Operator, or may be sent by registered mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 10. *Officials not to benefit.*—No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

MINES & MINING, INC.
(Operator)

By Dean S. Fitzsimmons
President

THE UNITED STATES OF AMERICA

By C. Mittenbergh
Administrator, Defense Minerals Exploration Administration

Burton
Anderson
Hoch
Talbert
Selfridge
Fitzsimmons

I, Roger Grant Jr., certify that I am the Assist. Secretary of the corporation named as Operator herein; that Dean S. Fitzsimmons who signed this contract on behalf of the Operator, was then President 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.

Roger G. Grant Jr.

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—70618-1

RECEIVED
JUL - 5 1955

RECEIVED
JUN 16 1955

EXPLORATION PROJECT CONTRACT
MINES & MINING, INC.
DOCKET NO. DMEA-3265

ANNEX I

The land referred to in Article 2 of the contract form is known as the Farlow Gap Mine and was leased for mining purposes to Marvin Owen for a period of five years by the United States of America, Bureau of Land Management, by an instrument dated August 1, 1958. Said lease was assigned by Marvin Owen for the remainder of the term to Mines & Mining, Inc., by an instrument dated March 10, 1954. The Farlow Gap Mine is located 11.5 airline miles N 14° W of Rosman, Transylvania County, North Carolina, in the Pisgah National Forest, and is described in the lease as follows:

A quadrangle containing 14 acres, more or less, located in the Shuck Ridge Branch drainage, a tributary of Davidson River, in Transylvania County, North Carolina. All distances are recorded in direct surface measures.

Beginning at the intersection of the Farlow Gap Trail and Shuck Branch, proceed up Shuck Branch to the first fork above the trail. Immediately above this fork and between the two converging streams is an outcropping rock. Inscribed in the rock is "X" which designates the beginning corner and is referenced as follows: 17.00" DBH, Basswood, N 35° 00' E, 7.5 links. Thence S 35° 30' W, 10.00 chains to a 12" bridge spike referenced as follows: Red Maple 10.0" DBH, S 33° 00' W; center line of trail, S 35° 30' W, 67 links. Thence S 54° 30' E, 2.00 chains to a 12" bridge spike referenced as follows: Northern Red Oak 5.0" DBH, S 45° 00' W, 7 links; crotched stump of Silverbell N 30° 00' E. 17 links. Thence S 35° 30' W, 75 links to a 12" bridge spike in the centerline of the trail referenced as follows: Chestnut snag 14.0" DBH, S 35° 00' W, 7 links; Chestnut snag 13.5" DBH, N 65° 00' E, 11 links. Thence following the trail S 43° 30' E, 1.68 chains; S 10° 00' E, 82 links; S 34° 00' W, 4.00 chains; S 30° 30' W,

2.00 chains. Thence leaving the trail S 27° 30' W, 8.36 chains to a 2.0" metal pipe 30.0" long driven flush with the ground and referenced as follows: TVA B. M. #AEM 225, S 24° 00' E, 1.31 chains. Thence N 35° 30' W, 6.00 chains to a wooden stake referenced as follows: Northern Red Oak 16.0" DBH, N 9° 00' E, 12 links; Northern Red Oak 32.0" DBH, N 66° 30' W, 55 links. Thence N 22° 00' E, 24.80 chains to a rock outcrop with "X" chiseled in top; rock outcrop located equidistant between two streams of running water. Thence S 54° 30' E, 6.00 chains to beginning corner.

RECEIVED
JUL - 5 1955 RECEIVED
JUN 16 1955

EXPLORATION PROJECT CONTRACT
MINES & MINING, INC.
DOCKET NO. DMEA-3265

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Pegmatites of the Cashiers and Zirconia Districts, North Carolina, Parlow Gap Mine DMEA-3265 (mica)," as follows:

1. Construct:

(a) A toolhouse-bunkhouse, minimum dimensions 12 feet by 20 feet by 7 feet high.

(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.

(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

The toolhouse-bunkhouse may be unfloored; shall be made from rough, unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be braced at all corners. Lumber for these two boxes shall be smooth on the inside of boxes. No metal shall be exposed; and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof lock.

2. Repair ½ mile access road and prepare shaft site with a D-7 bulldozer.

3. Clean muck out of open pit and construct a portal for incline shaft.

4. Sink on the pegmatite 50 feet of inclined shaft with partitioned manway.

5. Explore the pegmatite by driving from the inclined shaft 75 feet of drifts and/or crosscuts.

The inclined shaft and drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

The location, inclination, direction, and extent of all work are subject to the approval of the Government.

Fixed Unit Costs

Constructing -		
	Toolhouse-bunkhouse 1/	$ 128.00
	Powder magazine 1/	25.00
	Exploder magazine 1/	13.00
Bulldozing - 30 hours @ $12.00/hr.		360.00
Cleaning muck and constructing portal 1/		160.00
Sinking 50 feet of incline @ $42.50/ft.		2,125.00
Driving 75 feet of drift and/or cross-cut @ $31.00/ft.		2,325.00
	Estimated Total Cost of Project	$5,136.00
	Government participation @ 75%	$3,852.00

1/ The completed work constitutes the unit.

RECEIVED
JUL - 5 1955
RECEIVED
JUN 1 6 1955

GUARANTY OF PAYMENT OF ROYALTY

In consideration of the waiver by the United States of America of the requirement of the Owner's Consent to Lien referred to in Article 2 of a certain Exploration Project Contract, to be entered into by and between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, and Mines & Mining, Inc., a corporation, a copy of which contract is attached hereto, the undersigned hereby guarantees the payment to the United States of America of any royalties that may fall due to it under the provisions of said exploration contract or any amendment or assignment thereof, notice of any such amendment or assignment being hereby waived.

Dated June 9, 1955.

Wm. S. McCadden
Guarantor

NORTH CAROLINA
TRANSYLVANIA COUNTY

THE foregoing certificates of Kathryn P. Hunter, Notary Public, Buncombe County, North Caroling, and Henry Mitchell, Justice of Peaceof Polk County, Florida, all attested by their notarial seals, are adjudged to be correct. Therefore let the instrument, with the certificates, be registered.

Witness my hand and Official seal, this 27th day of March, 1954.

F. M. McCall
Clerk of The Superior Court,
Transylvania County, N. C.

NORTH CAROLINA
TRANSYLVANIA COUNTY

FILED for registration on the [illegible] day of March, 1954 at [illegible] O'clock, 14 M and registered and verified in the office of Register of Deeds for Transylvania County, N. C., in book # [illegible], page # [illegible] this [illegible] day of March, 1954.

[illegible]
Register of Deeds for Transylvania County, N. C.

Form 4-1100
(May, 1949)

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

Serial No. BLM-A 021553

North Carolina
(State)

MICA

MINERAL LEASE - ACQUIRED LANDS

Pisgah National Forest

This mineral lease entered into in quintuplicate this ..... day of ..... , 19..., by and between the United States of America, the lessor, through the Bureau of Land Management, and Marvin Owen, Rt. 2, the lessee, of Brevard, N. C., pursuant to Section 402 of the President's Reorganization Plan No. 3 of 1946, and regulations thereunder (43 CFR 200.31 et seq.); witnesseth:

SECTION 1. Rights of Lessee. In consideration of the rents and royalties to be paid and conditions and covenants to be observed as herein set forth the lessor grants to the lessee, subject to all privileges and uses heretofore duly authorized and prior valid claims, for a period of 5 years from the date hereof, the exclusive right to mine, remove and dispose of all the mica and associated minerals in, upon, or under the following-described tracts

See attached sheet for land description

containing 14.00 acres, more or less, together with the right to construct and maintain thereupon such structures and other facilities as may be necessary for the mining, preparation and removal of said minerals.

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

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

(b) Rental. To pay to the lessor annually in advance, beginning with the date of this lease, rental of $ 2.00 for each acre or fraction thereof for each lease year until production commences, the rental payment for the year in which production commences to be credited on royalties that accrue during that lease year.

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

(d) Minimum Royalty. If there is no production or if royalties under subsection (c) of this section total less than $ 30.00 in any lease year, to pay the lessor a sum equal to the difference between such royalties and $ 30.00, such minimum royalty obligation to become effective the first lease year commencing after production begins, and to be payable within 30 days following the end of the lease year for which due. Lessor may, in its discretion, suspend the minimum royalty requirement when production is interrupted or suspended as provided in subsection (a).

(e) Bond. To furnish and maintain a bond in the sum of $ 1,000 [illegible] compliance with the terms and conditions of this lease.

(f) Statement. To furnish for each month or such other period as may be designated by the District Mining Supervisor of the Geological Survey, statements in detail, in such [illegible]

Rm. 3227 General Services Administration Bldg., Washington 25, D. C.

prescribed by him, 1/ of the amount and value of output from the leasehold during such period for use in determining royalties, such statements to be furnished within 30 days from the close of the month or period so designated. Falsification of such statements shall be grounds for cancellation of the lease. 2/

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

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

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

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

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

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

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

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

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

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

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

---

1/ All forms herein required are subject to approval by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

2/ 18 U.S.C. sec. 1001 makes it a crime for any person knowingly and wilfully to submit or cause to be submitted to any agency of the United States any false or fraudulent statement as to any matter within its jurisdiction.

A quadrangle containing 14 acres, more or less, located in the Shack Ridge Branch drainage, a tributary of Davidson River, in Transylvania County, North Carolina. All distances are recorded in direct surface measures.

Beginning at the intersection of the Parker Gap Trail and Shack Branch, proceed up Shack Branch to the first fork above the trail. Immediately above this fork and between the two converging streams is an outcropping rock. Inscribed in the rock is "T" which designates the beginning corner and is referenced as follows; 17.00" DBH, Hemlock, N 35° 00' E, 7.5 links. Thence S 54° 30' W, 16.00 chains to a 12" wedge spike referenced as follows; Red Maple 16.0" DBH, S 35° 00' W; center line of trail, S 54° 30' W, 67 links. Thence S 54° 30' E, 2.00 chains to a 12" wedge spike referenced as follows: Northern Red Oak 5.0" DBH, S 45° 00' W, 7 links; crystal stump of Silverbell N 54° 00' E, 17 links. Thence S 35° 30' W, 75 links to a 12" wedge spike in the centerline of the trail referenced as follows: Chestnut sump 14.0" DBH, S 35° 00' W, 7 links; Chestnut sump 13.5" DBH, N 65° 00' E, 11 links. Thence following the trail S 45° 30' E, 1.68 chains; S 10° 00' E, 62 links; S 34° 00' W, 4.00 chains; S 30° 30' W, 2.00 chains. Thence leaving the trail S 27° 30' W, 0.36 chains to a 2.0" metal pipe 30.0" long driven flush with the ground and referenced as follows: TVA B. M. Point 225, S 24° 00' E, 1.31 chains. Thence N 35° 30' W, 6.00 chains to a wooden stake referenced as follows: Northern Red Oak 16.0" DBH, N 5° 00' E, 12 links; Northern Red Oak 32.0" DBH, N 66° 30' W, 55 links. Thence N 22° 00' E, 24.00 chains to a rock outcrop with "T" chiseled in top; rock outcrop located equidistant between two streams of running water. Thence S 54° 30' E, 6.00 chains to beginning corner.

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

SECTION 6. The lessor expressly reserves:

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

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

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

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

SECTION 7. It is mutually agreed:

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

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

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

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

SECTION 8. Relinquishment of Lease. Upon payment of all rentals, royalties and other debts due and payable to the lessor and upon payment of all wages or moneys due and payable to the workmen employed by the lessee, the lessee may, upon a satisfactory showing that the public interest will not be impaired, surrender all or any subdivision or subdivisions of the area included in the lease. In no case will the lease be terminated in whole or in part until and unless the lessee shall have made provision for the preservation of any mines and mineral deposits or productive works or permanent improvements on the lands covered thereby and complied with Section 3(d) hereof. A surrender must be by a relinquishment filed, in triplicate, with the Director, Bureau of Land Management. A relinquishment upon its approval shall take effect as of the date it is filed.

SECTION 9. Removal of Equipment, etc., on Termination of Lease. On termination of this lease, by surrender, forfeiture, or otherwise the lessee shall have the privilege at any time within a period of 90 days thereafter of removing from the premises all machinery, equipment, tools and materials, other than underground timbering placed by the lessee in or on the leased lands, which are not necessary for the preservation of the mine. Any materials, tools, appliances, machinery, structures and equipment, subject to removal as above provided, which are allowed to remain on the leased land shall become the property of the lessor on expiration of the 90-day period or such extension thereof as may be granted by the lessor, but the lessee shall remove any or all of such property when so directed by the lessor.

SECTION 10. Proceedings in case of default. If the lessee does not comply with the applicable regulations made a part hereof or the terms of this lease and such default continues for a period of 30 days after service of written notice thereof by the lessor, the lease may be cancelled by the Director, Bureau of Land Management. However, if production has commenced on the

for the purpose of fighting forest, brush, or grass fires, with the understand[illegible] such services shall be made at rates to be determined by the authorized repr[illegible] Secretary of Agriculture, which rates shall not be less than the current rates of [illegible] in the vicinity for services of a similar character; except that if the lessee, [illegible] contractors, subcontractors, or employees of contractors or subcontractors ca[illegible] prevented the origin or spread of said fire or fires, no payment shall be made [illegible] rendered.

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

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

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

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

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

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

(f) Special Stipulations.

X

X

X

X

X

X

X

X

X

(g) Appropriate Agency Official. To address all matters relating to this [illegible] **Forest Supervisor, Pisgah National Forest** at **Asheville, N. C.** authorized representative of the Secretary of Agriculture, or to such other [illegible] may, from time to time, be designated provided that such designation shall be [illegible] delivered to the lessee or his agent as provided by Section 4 hereof.

SECTION 4. Lessee-Agent. Prior to the beginning of operations the lessee [illegible] and maintain at all times during the term of this lease a local agent upon whom [illegible] written orders or notices respecting matters contained in this lease, and shall [illegible] thorized representative of the Secretary of Agriculture, and the District [illegible] the United States Geological Survey, in writing, of the name and address of [illegible] such agent is appointed, the lessee shall immediately so inform the [illegible]

lease, it may be canceled only by appropriate proceedings in a court of competent jurisdiction; but this provision does not apply to leases issued for a period of five years or less which may be canceled in the manner stated above. Furthermore, if the lessee fails to take prompt and necessary steps to prevent loss or damage to the mine, property, or premises, or danger to the employees, the lessor may enter on the premises and take such measures as may be deemed necessary to prevent such loss or damage or to correct the dangerous or unsafe condition of the mine or works thereof, which shall be at the expense of the lessee, but the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

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

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

THE UNITED STATES OF AMERICA

By (Sgd) William Zimmerman Jr

Associate Director, Bureau of Land Management.

WITNESSES TO SIGNATURE OF LESSEE

(Sgd) Marvin [illegible]

Lessee.

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

Transylvania County
North Carolina

This agreement made and entered into this 10th day of March 1954 by and between Marvin Owens, party of the first part to this agreement, and Mines & Mining, Inc., party of the second part to this agreement.

Witnesseth that on the payment of one dollar to the party of the first part by the parties of the second part, receipt of which is hereby acknowledged, and other considerations as hereinafter contained on the parties of the second part to be performed. The party of the first hereby assigns and transfers all of his interest in a mineral lease and all mining rights to Mines & Mining Inc., for the remainder of the term of the lease, which was ~~seem~~ for five years from the first of August, 1952 between the United States of America, thru the Bureau of Land Management, Lessor, and Marvin Owens, Lessee.

That the parties of the second part to this agreement shall pay to Marvin Owens a royalty of two dollars on the gross sales received for all mica on each one hundred of mica sold, and the government eight dollars on each one hundred dollars worth of mica sold. (Marvin Owens 2% and the government 8% on gross sales of all mica and other minerals found in the mine and area #B. L. M. A-021553.

That the parties of the second part to this agreement shall comply to all of the terms of the lease between Marvin Owens and the government, and shall keep a record of all mica and minerals sold. Such record shall be open for inspection.

IN WITNESS THEREOF WE HAVE TO THIS AGREEMENT have set their hands and seals the day and year first above written.

Party of the first part

Marvin Owens seal

Party of the second part

Mines & Mining, Inc seal
by Dean S. Hasbrouck seal
President

I Kathryn P. Hunter a Notary Public for Buncombe County, N. C. hereby certify that personally appeared before me and acknowledged his signature Dean S. Hasbrouck for the purpose therin expressed, Witness my hand and notarial seal this 10 day of March, 1954. My commission expires April 15, 1954.

Kathryn P. Hunter Notary Public

I, Henry Mitchell a ~~Notary Public~~ Justice of Peace for 2nd District, Polk County Florida, hereby certify that personally appeared before me Marvin Owens and acknowledged his signature to this instrument for the purpose therin expressed. Witness my hand and notarial seal this 16th day of March, 1954. My commission expires Jan 5th 1957.

Henry Mitchell
Justice of Peace, 2nd District.
Polk County, Florida.

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

FEB 26 1954

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. 3265
Metal or Mineral Mica
Date Received
Estimated Cost $3,546
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: Mines & Mining Inc, P. O. Box 8184, Asheville, N. C.
President - D. S. Hasbrouck, Same address
Vice-Pres. - Fred Wilson, Same Address
Sec-Treas. Roger A. Grant Jr. Same Address

(*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 Attached seperately

(*b*) State any mine name by which the property is known. Farlow Gap 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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Assignment of Lease recorded Transylvania County - Book 109, Page 418 Feb. 12, 1954

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. Access road to mine. Needs slight repairing and grading. 90 miles to Spruce Pine.

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power. 15 miles to Brevard.

16—66551-1

Manpower available from nearby community. Brevard is convienient for supplies, etc. A stream is closeby to the mine.

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

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

(*c*) The work will start within 5 days and be completed within 3 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ 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 Feb. 16, 1954

Mines & Mining, Inc.
(Applicant)

By Dean S. Robinson

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

3. (a).

Area Description A quadrangle appx., I4 acres more or less in Shuck Ridge Branch drainage, a tribuatory of Davidson River in Transylvania County, N. C., All distances are recorded in direct surface measures.

Beginning at the intersection of the Farlow Gap Trail, and Shuck Branch, proceed up Shuck branch to the first fork above the trail. Immediately above the fork and between the two converging streams is an outcropping rock. Inscribed in the rock is "X" which designates the beginning corner and is referenced as follow; I7.0" D.B.H., Basswood, N. 35 *00' 7.5 links. Thench S. 35*30' W. I0 chains to a I2" bridge spike referenced as follows; Red Maple I0.0" D.B.H., S. 33*30" W; Center line of trail, S.35*30" W. 67 links. Thence S. 54* 30' E. 2.00 chains to a I2" bridge spike refrenced as follows; Nothern red oak 5.0" D.B.H. S. 45*00" W. 7 links; croched stump of silver N. 30* 00" E. . I7 links. Thence S. 35*30' W. 75 links to a I2" bridge spike in the center line of the trail refrenced as follows; Chestnut snag I4.0" D.B.H. S. 35* 00' W. 7 links; Chestnut snag I3. 5" D.B.H: N. 65*00' E. II links, Thence following the trail S. 30* 30' W. 8.36 chains to a 2.0 " metal pipe 30.0" long driven in flush with the ground and referenced as follows; T.V.A. B. M. # A.K.W. 225, S. 24* 00' E. I.3I chains. Thence N. 35* 30' W. 6.00 chains to a wooden stake refrenced as follows Nothern red oak 32.0" D.B.H. N.66*30' W. 55 links. Thence N. 22*00' E. 24.80 chains to a rock outcrop located equidistant between two streams of running water. Thence S. 54*30' E. 6.00 chains to beginning corner.

MINES & MINING, INC.

BOX 8184

ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

FRED WILSON
VICE-PRES. & SUPERINTENDENT

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

DEPARTMENT OF THE INTERIOR
Bureau of Mines Administration
RECEIVED
FEB 26 1954

3. (d). Photocopy of assignment of lease to us from original Lessee attached. Lease from Bureau of Land Managent will be forwarded as soon as received.

4. (a). Mica vein was discovered and worked in 1944. Open cut type operation ten feet in depth, fifty feet in length. Not being operated at present. Road leads to the mine site.

(b). $4,600 worth of mica was mined and sold to Colonial Mica Co., agent for Metals Reserve. Surface of vein uncovered for 50 feet. #1 clear rum ruby mica, and #2 & #3.

(c). Mica vein average 7 feet wide. Strike length 500 feet, true fissure vein. Strike North 20 degrees, East. Dip, 60 degrees Southeast. Some books of mica were produced up to 18" in diameter, and some of the finest mica bought by Colonial. ~~Additional information attached.~~ Mine is written up in a booklet published by the N. C. Department of Conservation. We have written for a copy.

5. (b). Muck of old workings to be cleared off stripped vein for 50 feet, and 50 feet below mine also for the purpose of open cut and bench work. Two days of bulldozer work, at mine, two days on the road, 50 feet of tunnel work at head of open cut. Vein to be benched down in open cut 100 feet in length, 20 feet depth.

(d). Superintendent, Mr. Fred Wilson has had twenty years experience in mining and preparing mica.

6. (a). None.

(b). Labor: two muckers, $1.00 per hour each. One driller, one supervisor, each $1.50 per hour. Three months $2,400.00

(c).

Air-hose, 50 feet	$25.00	(furnished by operator)	
Water-hose	12.50	"	
1" pipe	60.00	"	
Wheelbarrow	30.00	"	
2 sets drill steel, 2',4',6',8'	120.00	"	
500 Jack-bits, pick-axes, shovels, hammers, bars	150.00	"	
Dynamite, exploders	[illegible]		350.00
Gas, oil	[illegible]		200.00

(d).

Ingersoll Rand air-hammer	$600.00	(furnished by operator)	
Set carbon carbide [illegible] sheet	75.00	"	
Ingersoll Rand 105 compressor, rental - $188.00 per month - 3 months			564.00
500 Jack bits sharpened			60.00
Stripping vein, removing muck by bulldozer, to be rented			200.00

MINES & MINING, INC.
BOX 8184
ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

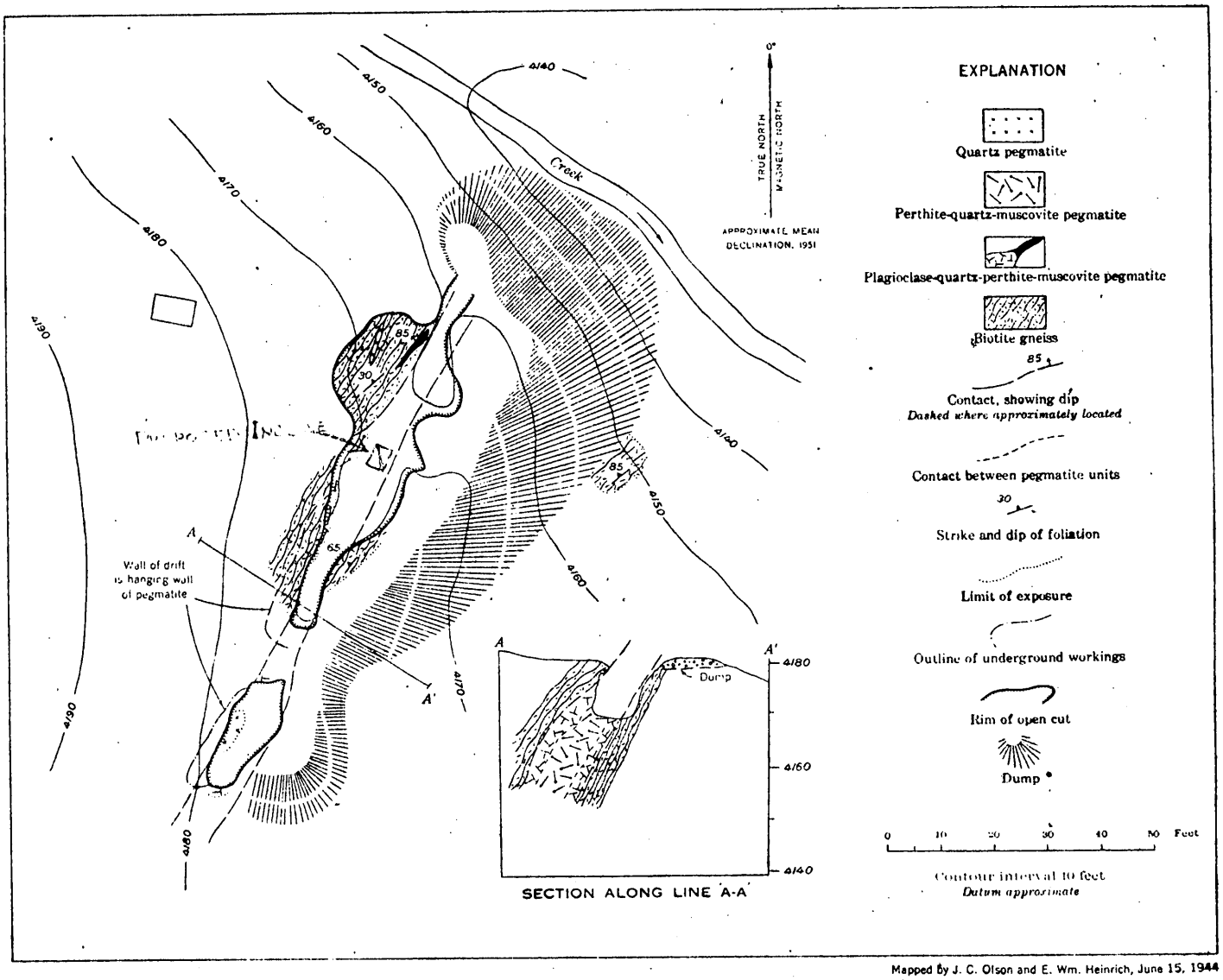
FRED WILSON
VICE-PRES. & SUPERINTENDENT

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

(e). Repairs to road.....bulldozer rental..... $200.00
Moving of equipment 100.00
Installing equipment 50.00

(f). Storage house for mica and equipment..... 250.00

(g.) Accounting - $50.00 per month - $150.00 (furnished by operator). Workmen's compensation and liability insurance - we have not been able to ascertain the exact amount of premium as yet, but our agent is procuring this information, and will advise us soon. He estimates that it will be approximately..... $350.00



Mapped by J. C. Olson and E. Wm. Heinrich, June 15, 1944

FARLOW GAP MINE

DMEA-3265 (mica)

Map from contract

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/8	Anderson	600
7/8	Hoak	600
		110
		220

600

July 5, 1957

Project Summary Report

By: Walter C. Anderson, Division of Nonmetallic Minerals
1. Docket No. DMEA-3265-Mica
Contract No. Idm-E830
Farlow Gap Mine
Transylvania County, North Carolina

Application: Form MF-103 (April 1952) received February 26, 1954.
Work Proposed by Applicant:
50 feet of "tunnel".
Amount requested $3,546.00

Operators: D. S. Hasbrouck, Fred Wilson and
Roger A. Grant, d/b/a/ Mines and Mining, Inc.
P. O. Box 8184, Asheville, North Carolina

Operator's Property Rights: Five year mineral lease from the Bureau of Land Management on the Farlow Gap Mine consisting of 14 acres, dated August 1, 1952.

2. Contract: Form MF-200A (June 1954) dated June 28, 1955.
Work Authorized:

Construction - new buildings	$166.00
Bulldozing	360.00
Construction - portal	160.00
50 feet of incline @ $42.50/ft.	2,125.00
75 feet of drift and/or crosscut @ $31.00/ft.	2,325.00
Estimated total cost of project	$5,136.00
Government participation @ 75%	$3,852.00

Amendments:
No. 1 - 3/5/56, provides:
(1) Suspension of work from November 30, 1955 to May 1, 1956.
(2) Extension of completion from December 1, 1955 to September 30, 1956.
Work Completed:

Construction - new buildings	$153.00
Bulldozing	360.00
Construction, portal	160.00
16 feet of incline	680.00
Total accepted cost	$1,353.00
Government participation @ 75%	1,014.75

Work began July 22, 1955 and was terminated by mutual agreement, effective October 1, 1956, with a "pseudo-certification" inserted. Field Team Final Report received June 10, 1957. Operator's Final Report received April 5, 1957. Value of production during operation - none. No equipment purchased under contract.

On March 3, 1958, District Ranger verbally advised Field Team that land was not now leased to anyone.

8623

POST OFFICE DEPAI
OFFICIAL BUSINES.

BURNSVILLE, NC 28714
AUG 19
PM
1969

INSTRUCTIONS: Fill in items below and complete instructions on other side, if applicable. Moisten gummed ends, attach and hold firmly to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO. 500338	NAME OF SENDER U. S. Geological Survey Office of Minerals Exploration
CERTIFIED NO.	STREET AND NO. OR P. O. BOX Interior Bldg.
INSURED NO.	CITY, STATE, AND ZIP CODE Washington, D. C. 20240

POD Form 3811 Sep. 1963

INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee

☐ Show address where delivered

(Additional charges required for these services)

RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

Mrs Clarence T. Brown

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Boyd Banks

DATE DELIVERED	SHOW WHERE DELIVERED *(only if requested)*
AUG 19 1966	

C55—16—71548-5—F GPO

3256

3. Audit: Report of Review issued June 11, 1957.

Total accepted cost	$1,353.00
Government participation @ 75%	$1,104.75

4. Certification of Discovery - none issued.

5. Comments:

How Conducted: Not very good. However, all of the work in which the Government participated was acceptable.
Operation: The operation seemed to be badly managed and beset with numerous delays. This could be attributed to the fact that the property was situated in a remote and almost inaccessible area, making it difficult to obtain the right kind of labor and to transport supplies and equipment to the mine, especially during the winter months.
Engineering: The few reports submitted by the Operator were acceptable.
Geologic Premise: The pegmatite was not adequately explored to prove its worth in depth.
Geologic Criteria Upon Which Work Was Based:

1. Pegmatite: Indistinctly zoned, 7 feet thick and conformably intruded into fine-grained biotite gneiss. Consists of plagioclase, microline, quartz, and coarsely crystalline muscovite.
2. Mica: Olive green, books up to 18 inches in diameter, quality above average. Mostly marked by "A" structure, a few books are gently warped, 20 to 25 percent contain scattered black mineral inclusion, and reeve structure is not common.
3. Past Production:
4. Criteria Developed During Project: Not enough work was done to add any significant geological information.

Future Possibilities: The geologic premise that mica concentrations may be found still holds, therefore, further exploration would be warranted.

Recommendations: The Division of Nonmetallic Minerals and the Commodity Members of the Bureau of Mines and Geological Survey concur in the Field Team's recommendation not to certify. The Government is protected by a pseudo-certification clause in the Termination Agreement.

Walter C. Anderson
Walter C. Anderson
Division of Nonmetallic Minerals

WCAnderson:rsi 7/5/57
Copy to: Admr. R. File
Mr. Johnson
Mr. Houk

DMEA 3256

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8'18		110
		220

August 18, 1966

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

In accordance with a December 5, 1956, Termination Agreement, Amendment No. 1, and Article 7 of the contract dated June 28, 1955, royalty was payable on all minerals produced from the land described in Article 2 of the contract for a period of 11 years from the date of the contract or until the total net amount contributed by the Government without interest was fully repaid, whichever occurred first.

The Operator, Mines & Mining, Inc., was in possession of the Farlow Gap Mine by virtue of a 5-year Mineral Lease (No. BLM-A 021553) granted by the Bureau of Land Management on August 1, 1952. Through correspondence with the Forest Service, Department of Agriculture, it has been learned that there has been no production from the property since the expiration of the lease. On October 27, 1965, Mr. Peter J. Hanlon advised this office that the Forest Service had operators bulldoze the holes and remove the structures. Consequently, it is very unlikely that any production has been made from the property since that date. The account for the subject contract is now considered closed.

Frank E. Johnson
Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME File
Branch of Budget and Finance
OME Field Region IV
OME Reading File
120M

MMerrithew/FEJohnson/gla 8-18-66

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 3 1965

INITIALS	CODE
FEJ	~~110~~
114 Mm	170
	120
	220

BLM-A-021553
North Carolina

October 28, 1965

Memorandum

To: Chief, Office of Minerals Exploration

From: Mining Engineer, Eastern Region

Subject: Cancelled mica lease BLM-A-021553, Transylvania County, North Carolina

The enclosed correspondence, pertaining to the subject lease, was referred to us for reply.

According to our records, this lease has been cancelled and the case closed since July 25, 1958.

Furthermore, there has been no production reported from this leasehold since the third quarter of 1953.

Please be advised that this office supervises mining operations on leased lands of this type including the collection and accounting of royalty when such leases are in a production status.

If we can be of further help, please advise.

W. B. Gazdik

W. B. Gazdik

Enclosures

SEP 17 1965

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

GEOLOGICAL SURVEY

SEP 15 1965

Mr. Peter J. Hanlon
Forest Supervisor
Pisgah National Forest
Post Office Box 731
Asheville, North Carolina

Re: Your file 2820
DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Mr. Hanlon:

In a letter of May 14, 1964, your office informed us that there had been no mineral production from the subject property since April 6, 1962. Will you please inform us whether or not there has been any production from the property since May 14, 1964.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

BLM-A021553

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

(7870 General)

Mr. Peter J. Hanlon
Forest Superintendent
Pisgah National Forest
42 North French Broad Avenue
Asheville, North Carolina

MAR 29 1962

Re: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Mr. Hanlon:

The Bureau of Land Management granted a mineral Lease, Serial No. BLM-A021553, dated August 1, 1952, on this property to Marvin Owen. On March 10, 1954, Marvin Owen subleased the property to Mines & Mining, Inc.

Under the subject contract, Mines & Mining, Inc., is obligated to pay the Government a royalty on any production from the property.

Will you kindly advise this office if the property has been leased and whether or not there has been any mineral production from the property subsequent to July 1, 1959, if such information is available.

Sincerely yours,

George Turnich
Director

FILE COPY
No. Carolina Nat'l Forests
APR 2 1962
Action Officer Information
Supervisor
Ass't Supv.
Adm. Officer
Timber Mgmt.
Tbr. Asst.
Lands Mgmt.
Wildlife Mgmt.
Engineering
Recreation
Asst. Adm. Ofc.
Adm. Tr.
Fiscal
Service
Supply
File

4-2-62
No record of this in Supervisors Office
WNZ
Referring to Pisgah for info.

N.C. Lands
4-15-62
Done
WRC

P. O. Box 731

April 6, 1962

2820

George Fumish, Jr.
Director
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Sir:

Reference your letter of March 29.

We have no knowledge of mineral production from this property subsequent to July 1, 1959. Ranger Seely of Pisgah Forest informs us this case was closed in his files July 8, 1958.

We hope this provides the information needed.

Sincerely yours,

PETER J. HONLON
Forest Supervisor

By John L. Shontz

WLLane/vcb

APR 20 1964

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

APR 16 1964

Forest Supervisor
Pisgah National Forest
Post Office Box 731
Asheville, North Carolina

Re: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Sir:

In a letter No. 2820, dated April 6, 1962, your office advised there had been no mineral production from the subject property (BLM-A021553, mineral lease) subsequent to July 1, 1959.

Will you kindly advise this office whether or not there has been any mineral production from the property since April 6, 1962.

Sincerely yours,

Acting Director

Box 731

2820 general
May 14, 1964
Your ref.: 4/16
DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania Co., N.C
Contract Idm-E830

Office of Minerals Exploration
U.S. Department of the Interior
Washington 25, D.C.

Attention: George Fumish, Jr.

Gentlemen:

Ranger Seely tells us there has been no mineral production from the property since April 6, 1962.

Sincerely yours,

PETER J. HANLON
Forest Supervisor

By W. E. Howell

cc: Pisgah for info.
WLLane/np

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
NATIONAL FORESTS IN NORTH CAROLINA
ASHEVILLE, N. C. 28802

Box 731

IN REPLY REFER TO

2820
DMEA-3265(Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania Co.,N.C.
Contract Idm-E830
October 27, 1965

OFFICIAL COPY
O. M. E.
RECEIVED
OCT 29 1965
INTERIOR DOCS
10/29/Kom 120 m
~~120~~
220

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Geological Survey
Washington 25, D. C. 20240

Dear Mr. Johnson:

The mine is closed. The Forest Service had operators bulldoze the holes and remove the structures. It is no longer in operation.

Sincerely yours,

PETER J. HANLON
Forest Supervisor

WOOD · WATER · FORAGE · WILDLIFE · RECREATION

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/23	Selfridge	120
9/24	Johnson	110
		220

SEP 2 4 1965

Mr. Peter J. Hanlon
Forest Supervisor
Pisgah National Forest
Post Office Box 731
Asheville, North Carolina

Re: Your file 2820
DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Mr. Hanlon:

In reply to your inquiry of September 21, 1965, Mines & Mining, Inc., was in possession of the Farlow Gap Mine by virtue of a 5-year Mineral Lease (No. ELM-A 021553) granted by the Bureau of Land Management on August 1, 1952. By the terms of the DMEA Contract Idm-E830, Mines & Mining, Inc., remains liable for royalty on all production from the mine regardless of who the producer might be until June 28, 1966.

As it is our obligation to check on production from any lands involved in DMEA contracts, we wrote you September 15 to learn if there had been any production from the property since May 14, 1964, the date of your reply to a former inquiry of ours.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

GCSelfridge/gla (9-23-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Robert A. Laurence, Region Iv, w/cy incoming letr.
Mr. Selfridge
120M

23263

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
NATIONAL FORESTS IN NORTH CAROLINA
ASHEVILLE, N. C. 28802
Box 731

IN REPLY REFER TO
2820
DMEA-3265 (Mica)
Minés & Mining, Inc.
Farlow Gap Mine
Transylvania Co.,N.C.
Contract Idm-E830
September 21,1965

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
Geological Survey
Washington 25, D.C.

Dear Mr. Johnson:

This case is closed in our office. Is BLM permit still active?

Sincerely yours,

PETER J. HANLON
Forest Supervisor

By W. C. Bokker

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 23 1965
INITIALS | CODE
FJ | 170
| 120
| 170
| 220

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/15	Selfridge	120
	Johnson	110
		220

SEP 15 1965

Mr. Peter J. Hanlon
Forest Supervisor
Pisgah National Forest
Post Office Box 731
Asheville, North Carolina

Re: Your file 2820
DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Mr. Hanlon:

In a letter of May 14, 1964, your office informed us that there had been no mineral production from the subject property since April 6, 1962. Will you please inform us whether or not there has been any production from the property since May 14, 1964.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

GCSelfridge/gla (9-15-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Robert A. Laurence, Region IV
Mr. Selfridge
120M

23263

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
NATIONAL FORESTS IN NORTH CAROLINA
ASHEVILLE, N.C. 28803

OFFICIAL FILE COPY
O.M.E.
RECEIVED MAY 18 1964

DATE	INITIALS	CODE
5/18	WEH	800
	Driswold	500
		220

IN REPLY REFER TO

2820
May 14, 1964
Your ref.: 4/16
DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania Co.,N.C
Contract Idm-E830

Office of Minerals Exploration
U.S. Department of the Interior
Washington 25, D.C.

Attention: George Fumish, Jr.

Gentlemen:

Ranger Seely tells us there has been no mineral production from the property since April 6, 1962.

Sincerely yours,

PETER J. HANLON
Forest Supervisor

By W.E. Hawell

Copy to
Rev. A. Lawrence
5/19/64
jmm

WOOD · WATER · FORAGE · WILDLIFE · RECREATION
FOREST SERVICE
U.S.
DEPARTMENT OF AGRICULTURE

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
4/14	Murphy	500
	[illegible]	500
4/15	Talbot	800
"	Johnson	110
"	[illegible]	100
		220

APR 16 1964

Forest Supervisor
Pisgah National Forest
Post Office Box 731
Asheville, North Carolina

Re: DMEA-3265 (Mica)
Mines & Mining, Inc.
Parlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Sir:

In a letter No. 2820, dated April 6, 1962, your office advised there had been no mineral production from the subject property (BLM-A021553, mineral lease) subsequent to July 1, 1959.

Will you kindly advise this office whether or not there has been any mineral production from the property since April 6, 1962.

Sincerely yours,

George Fumich, Jr.

Acting Director

FMMurphy/gla 4-14-64
cc to: Director's Reading File
Docket
Region IV
Code 500

23263

Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
7/26	GCS	120
		225

JUL 26 1962

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Enclosed for your files is the original of a Report of Royalty Review on the subject contract.

George C. Selfridge

(5/2)

Enclosure
GCSelfridge/hb (7/26/62)
cc to: Docket DMEA-3265
Director's Reading File
CA&A Division
G. C. Selfridge
R. A. Laurence, USGS, Region IV, w/cy of Report of Royalty Review dtd 7/25/62 & orig. cy of memo dtd 7/25/62 to Chief, Division of Field Operations, from CA&A Division.
Avery Reed, USBM, Reg. IV, w/cy of ea. item sent to Mr. Laurence.

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

Memorandum JUL 25 1962

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Enclosed are the original and two copies of a Report of Royalty Review covering the subject Region IV contract. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary; and

(b) Two copies to Region IV files.

This report is for OME record purposes only; therefore, no copy has been provided for the Operator.

As evidence of your concurrence, a copy of your memorandum transmitting the original of the report to the Department's Fiscal Section should be furnished this Division. If for any reason you do not concur, the original and both copies should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 7-25-62

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

OMB Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
6/26		800
		500
		120
		110
		100
		220

June 26, 1962

Memorandum

To: The File

From: C. E. Fisher, OME Auditor

Subject: Check of Spruce Pine Mica Purchase Depot Records, June 18 - 22, 1962 .

During the period of June 18 to 22, 1962, I examined the purchase records of the G.S.A. Mica Purchase Depot at Spruce Pine, North Carolina, for the purpose of ascertaining any unreported production under DMEA exploration project contracts. My examination did not disclose any unreported production subject to royalty under the following contracts:

Contract No.	Docket No.	Operator	Mine Names
E- 684	3244	Alex Teague	Old Denson (Denison)
687	3256	Glenn C. Rathburn	Fox, Busby Creek
692	3260	Sam L. Phillips	W. A. McKinney, McKinney No. 1
694	3199	W. B. Chrisawn	R. D. (W. H.) Westall
712	3410	Rock Mining Company	Rock
737	3469	A. Ward	Elmore
757	3559	C. R. Phillips, et al.	Sugar Dave, Ralph
762	3577	Keller Mining Co.	Poyster
805	3720	Alvin White, et al.	Coward
830	3265	Mines and Mining, Inc.	Farlow Gap
835	3813	T. B. Vance	Shuffle Vance, Red, Charlie Burleson
840	3799	J. R. Beam	Bennett, Mica Field
865	3860	Ed Boone	Goog Rock
882	3924	J. R. Beam & John Phillips	Little Ray, Pat
891	3543	Buchanan Minerals, Inc.	Buchanan, Dream
900	3942	Sam G. Smith	Doe Hill, Sam Smith
962	4147	Sam L. Phillips	Old Buchanan
1005	4239	John Phillips	Roby (Robby)
1008	4332	John Phillips	John (John's) Brown
1037	4268	Murphy Mining Co.	Murphy, Murphy Rock
1042	4449	Clifton D. Buchanan	Boone, Phillips
1089	4554	Sam L. Phillips	Black Mountain

cc: Docket
Director's Reading File
CA & A Division
Region IV Files (2)

CEFisher/ams
6-26-62

63683

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
NORTH CAROLINA NATIONAL FORESTS

ADDRESS REPLY TO
FOREST SUPERVISOR
AND REFER TO

2820

P. O. Box 731
ASHEVILLE, NORTH CAROLINA
April 6, 1962

OMBQ-
3265
E 820

✓ Mica

OFFICIAL FILE COPY
O. M. E.
RECEIVED APR 12 1962

4/9 CW 800
~~Showed~~ 500
~~Thompson~~
220

George Fumish, Jr.
Director
United States Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Dear Sir:

Reference your letter of March 29.

We have no knowledge of mineral production from this property subsequent to July 1, 1959. Ranger Seely of Pisgah Forest informs us this case was closed in his files July 8, 1958.

We hope this provides the information needed.

Sincerely yours,

PETER J. HONLON
Forest Supervisor

By John L. Shortz

2 cys to Region IV (4/10/62)

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
3/29	Murphy	500
	Fumich	500
3/29	Talbert	800
3/29	Selbridge	120
"	Johnson	110
3/29	Fumich	100
		220
	Murphy	500

MAR 29 1962

Mr. Peter J. Hanlon
Forest Superintendent
Pisgah National Forest
42 North French Broad Avenue
Asheville, North Carolina

Re: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Dear Mr. Hanlon:

The Bureau of Land Management granted a mineral Lease, Serial No. BLM-A021553, dated August 1, 1952, on this property to Marvin Owen. On March 10, 1954, Marvin Owen subleased the property to Mines & Mining, Inc. reassigned the lease

Under the subject contract, Mines & Mining, Inc., is obligated to pay the Government a royalty on any production from the property.

Will you kindly advise this office if the property has been leased and whether or not there has been any mineral production from the property subsequent to July 1, 1959, if such information is available.

Sincerely yours,

George Fumich, Jr.

Director

FMMurphy/gla 3-28-62
Rewritten: FMMurphy/gla 3-29-62
cc to: Director's Reading File
Region IV (2)
Docket

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/22	[illegible]	124
		~~120~~
11-22	gad	220

November 22, 1960

Memorandum

To: Chief, Fiscal Section, Division of Administrative Services, Office of the Secretary

From: Chief, Division of Field Operations, OME

Subject: DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract Idm-E830

Attached for your files is the original of a Report of Royalty Review on the subject contract.

/s/ George C. Selfridge

(246)

George C. Selfridge
Chief, Division of Field Operations

Attachment

LGHouk:gad 11/22/60
Copy to: Region IV (With copy of Review)
Docket
CA&A
Dir. R. File
Mr. Houk

43683

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
11/21	Fisher	800
		220

NOV 21 1960

Memorandum

To: Chief, Division of Field Operations

From: E. D. Talbert, Acting Chief (Signed) E. D. Talbert
Contract Administration and Audit Division

Subject: Reports of Royalty Review

Attached are the original and one copy of each of the following Reports of Royalty Review relating to projects covered by royalty agreements on which no royalty has been collected to date:

Idm-E562 DMEA-2873 Empire Mica Company
Idm-E830 DMEA-3265 Mines & Mining, Inc.

These reports were made for OME record purposes only and, therefore, no copies are to be sent to the Operators. Accordingly, if you concur in the facts stated in the reports, distribution should be made as follows:

(a) Original to the Fiscal Section, Division of Administrative Services, Office of the Secretary, Department of the Interior, Washington 25, D. C.; and

(b) A copy for your file.

As evidence of your concurrence, a copy of your memorandum transmitting the original reports to the Fiscal Section should be furnished to this Division. If for any reason you do not concur, the original and the copy of the report should be returned to this Division with your comments.

Attachments

CEFisher/ama
November 21, 1960

Copy to: Mails and Files
Director's Reading File
CA & A Division
Mr. Rothrock

43683

OFFICIAL FILE COPY
O. M. E.
RECEIVED SEP 21 1959

DATE	INITIALS
9-21	

Reports

DMEA		Transmitted
1140		9/8/59
1700		9/21/59
2150		
2277	Diners	
2294	Metals Inc.	
2327		
2479		
2482		
2511		
2875		
2925	Co.	
3000	Co.	
3265		
3287		
3405		
3543	Metals Inc.	
3720		

Official

~~EXTRA COPY~~
DMEA
RECEIVED JUL 2 1958

DATE		CODE
7/2	C	220
		600

SEMI-ANNUAL REPORT ON CERTIFIED OR PSEUDO-CERTIFIED PROJECTS

INACTIVE SINCE LAST INSPECTION

Commodity : Mica

Reporting Period: January 1, 1958 to July 1, 1958

DMEA No.	Idn-E	Operator & Mine	Date Inspected
1140X	87	Pitt Mica Corp (Mary Mine)	June 25, 1958
1700X	116	Fred Cabe (Cabe Metal Mine)	" " "
	156	Neil A. Hooker (Hold Mine)	" " "
2277	412	Eagle John [illegible] (Eagle John Mine)	" " "
2293	393	Dixie Minerals Inc. (Dixie Stephens Mine)	" 24 "
2327	476	Andrew M. Bell (May Mine)	" 25 "
2582	461	Geo Angel (Hanson Mine)	" 24
2610	431	Dixie Minerals Inc. (Shell Ridge Mine) Pseudo	" 24 "
2687	475	Sam Phillips, et al (Lotla Bowers Mine)	" 25 "
2875	613	Latt Young (Cox Mine)	" 24 "
2926	516	The Moodmica Mining Co. (Engle Cope Mine)	" 24 "
3000	557	B.P.R. Mining Co. (Terrill Bryson Mine)	" 25 "
3265	830	Mines & Mining Inc. (Parlow Gap)	" 26 "
3287	674	Sam Phillips, et al (Old Cut & Hallett Mines)	" 25 "
3469	737	A Ware (Moore Mine)	" 24 "
3720	805	Arvin White, et al (Howard Mine)	" 24 "
3543	891	Buchanan Minerals Inc (DREA Mine)	" 24 "

Wm. A. Beck, Mining Engineer, USBM

DMEA
RECEIVED MAR 11 1958
DATE | INITIALS | CODE
3/12 | C | 220
12 | Com | 100
" | | 110
" | | 800
| | 600

DMEA Exploration Project
PSEUDO
SEMI-ANNUAL REPORT OF CERTIFIED PROJECT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE
Transylvania County, N. C.

Reporting Period: July 1, 1957 to January 1, 1958

Operators: Mines and Mining Inc. P.O. Box 8184,
Asheville, North Carolina.

The writer conferred with District Ranger T. S. Seeley and John Eller, Forestry Aid, of the Pisgah National Forest at their headquarters on March 3, 1958. They stated the subject mine was not now leased to any one and all equipment had been removed from the location. The Government is still holding the one thousand dollar bond put up by the Operator, as they have not complied with the Rangers' demand that the access road be repaired, the pits be filled up and the toolhouse be removed. Mr. Arne A. Mattila, Mining Engineer for the Bureau of Land Management in Washington, visited thesite about three months ago and suggested that the bond be held until the above work is completed.

Mr. Seeley told the writer it would be impossible to get to the mine now even with a jeep due to the condition of the road.

March 10, 1958

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

z

EA Form 7
(2-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/3	Houk	600
9/4	Selfridge	120
"	Johnson	110
"	Mittendorf	100
9/5	O	220
9/4	Talbert	800
		600

600

SEP 5 1957

Mr. Dean S. Hasbrouck
Mines & Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265-Mica
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. Hasbrouck:

Reference is made to your letter of August 31, 1957, requesting return of a copy of the lease between Mines & Mining, Inc., and Mr. Marvin Owens. You will find enclosed one notarized photostat of the agreement which is the only extra copy we have.

Please note that the subject contract between Mines & Mining, Inc., and the Defense Minerals Exploration Administration has not been cancelled. This contract was terminated by mutual agreement on December 5, 1956, and under the terms of this agreement all production of minerals from the land described in the Exploration Project Contract from June 28, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,014.75 is paid or until June 28, 1966, whichever first occurs. If, during this period, your Company should not be the producer, it nevertheless remains liable as surety for payment of said royalty if the actual producer does not pay it.

Sincerely yours,

O. O. Mittendorf

Administrator

Enclosure

LGHouk:gad 9/3/57
Copy to: Admr. R. File
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

P.O.BOX 8184 DEAN S. HASBROUCK, PRESIDENT PHONE 4-2637

CAISI, Incorporated

"Developers of Lookout Valley"

ASHEVILLE, N. C.

DEPENDABLE RESIDENCE CONSTRUCTION

BUILDERS' HARDWARE

August 31, 1957

Re: Docket No. DMEA-3265(Mica)
Mines & Mining Inc.,
Farlow Gap Mines,
Transylvania County, N. C.
Contract No. Idm-E830

Mr. C. O. Mittendorf
United States Department of The Interior
Defense Minerals Exploration Administration
Washungton 25, D. C.

Dear Mr. Mittendorf:

Since the contract referred to above is a cancelled one, and if you have in your files any copies of the lease drawn between Mines & Mining, Inc., and Mr. Marvin Owens, it would be much appreciated if you would send me one.

Sincerely,

Dean S. Hasbrouck

Dean S. Hasbrouck

OFFICIAL FILE COPY
DMEA
RECEIVED SEP 3 1957

DATE	INITIALS	CODE
9/3	C	220
9/3	Hmk	600

SEMI-ANNUAL REPORT ON PSEUDO CERTIFIED
DMEA PROJECT

Reporting Period: To 7-1-57. Date of Examination: 8-8-57.

Operator: Mines & Mining Inc. P.O. Box 8184, Asheville, N. C.

Mine Name: Farlow Gap Mine. County: Transylvania. State: N. C.

DMEA-3265, Contract No. Idm-E830. Commodity: Mica

Date of Contract: June 28, 1955. Date of Termination: 12-5-56

Expiration Date of Royalty Payments : June 28, 1966.

Total Amount of Contract: $5,136.00. Total Expenditures: $1,353.00

Amount of Gov't Participation at 75% = $1,014.75

Royalty Payments this period: None
Previous Royalty Payments : None
Total Paid to date : None

Percent Gov't Participation Repaid: None

Royalty Due on Production to Date: None

Remarks: The writer conferred with District Ranger, T. S. Seeley and John Eller, Ranger of the Pisgah National Forest at their headquarters, and then visited the mine location. The rangers stated that no work had been done at the mine in about a year, and the inspection of the mine location confirmed their statement. The only equipment on the property was a length of 2" water hose and a small Atlas Copco air compressor mounted on two wheels. Mr. Seely told the Examiner that the road to the mine is eroding and that Mines & Mining, Inc. will have to repair it before he will release their bond.

Wm. A. Beck, Mining Engineer
Bureau of oMines

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 26 1957

DATE	INITIALS	CODE
8/26	Cow	100
8/26	N	000

Inspected: August 8, 1957

z

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Rubin	140
	Champ	140
7/8	Anderson	600
7/8	Houk	600
7/8	Chambers	800
7/8	Selfridge	190
		~~130~~
		~~130~~
7/8	Johnson	110
"	Mittendorf	100
7-9	e	220
		600

JUL - 8 1957

Mr. D. S. Hasbrouck, President
Mines and Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. Hasbrouck:

Reference is made to the subject contract, which was terminated by mutual agreement on December 5, 1956.

By the terms of the Termination Agreement, all production of minerals from the land described in the Exploration Project Contract from June 28, 1955, is subject to the Government's percentage royalty as set forth in the contract until the sum of $1,014.75 is paid or until June 28, 1966, whichever first occurs. If, during this period, your Company should not be the producer, it nevertheless remains liable as surety for payment of said royalty if the actual producer does not pay it.

Royalty payments should be made to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, and checks should be drawn payable to the Defense Minerals Exploration Administration.

Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets showing quantity and grade of ore sold, the name of the purchaser, and the price and charges certified to be correct by the purchaser.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

LGHouk/HCRubin/emd
7/2/57
Copy to: DMEA Docket
Adm. R. File
Op. Committee
J. L. Chambers
L. G. Houk
Field Team, Reg. V (2)
R. P. Dwyer
H. C. Rubin
chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Rubin	140
	Kemper	140
7/8	Sullivan	600
7/8	Houk	600
7-8	Chambers	800
7-8	Selfridge	190
		~~130~~
		~~130~~
7/8	Johnson	110
	Mittendorf	100
		220

JUL - 8 1957

Mr. William S. McCrady
2 West Jordon Street
Brevard, North Carolina

Re: Docket No. DMEA-3265 (Mica)
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. McCrady:

In an agreement dated December 5, 1956, terminating an Exploration Project Contract dated June 28, 1955, between the Government and Mines and Mining, Inc., the Company agreed to pay royalty to the Government, as provided in the contract, on any production beginning June 28, 1955, or until the sum of $1,014.75 is paid or until June 28, 1966, whichever occurs first. As you know, your Guaranty of Payment of Royalty dated June 9, 1955, secured to the Government royalty payments due it upon any production of minerals from the subject property according to the provisions of the contract, or any amendment or assignment thereof. Accordingly, if there is production and royalty is not received by the Government, the Government may look to you for payment.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

LGHouk/HCRubin/emd
Copy to: DMEA Docket
Adm. R. File
Operating Committee
J. L. Chambers
L. G. Houk
Field Team, Reg. V (2)
R. P. Dwyer
H. C. Rubin
Chron.

8623

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

June 19, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Donald R. Irving, Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3265 (mica)

Applicant: Mines and Mining Inc.

Name and Location of Property: Farlow Gap Mine, Transylvania County, N. C.

Contract Number: Idm-E 830

Date of Field Team Report: 6/7/57

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 6/13/57

Field Team Recommendation: Recommend no certification.

Comments:

1. This was an old prospect from which $4,600 worth of mica was sold to Colonial Mica Co. in 1944.
2. A contract under DMEA for shaft sinking and drifting was granted to applicant.
3. Only 16 feet of shafting was completed when contract was terminated because of inefficiency of operator.
4. The pegmatite was not adequately explored.
5. The Government is protected by a "pseudo-certification" clause in the termination agreement, if any future operator should use the 16 foot DMEA shaft.
6. Expenditure -

Total approved	$5,136.00
Total cost	1,353.00
Gov't. share	1,014.75
Value of production	None

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 20 1957

DATE	INITIALS	CODE
6/20	C	220
6/20	wra	600

Recommendation: I concur with the field team that certification be denied.

Donald R. Irving

Donald R. Irving

IN REPLY REFER TO:

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

June 18, 1957
Re: DMEA 3265 Idm-E830
Mines & Mining Inc.
Farlow Gap Mine
Transylvania County, N. C.
Approved $5,136.00 - Mica
Expended $1,353.00

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Final Report

The contract awarded in July 1955 was terminated December 5, 1956, effective October 1, 1956. A small part of the proposed work was done, only $1,353.00 having been spent.

Some poor grade mica was recovered from the 16 feet of shaft sunk under the contract.

The termination agreement included a pseudo certification. In the opinion of the examiners, the pegmatite was not adequately explored, and I assume they would recommend further work should an application be filed.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 19 1957

DATE	INITIALS	CODE
6/19	JWZ	220
6/19	Houk	600

Operating Committee

EXTRA COPY
DMEA
RECEIVED JUN 17 1957

DATE	INITIALS	CODE
6/19	[illegible]	600

June 14, 1957

Memorandum

To: Mr. Ray L. Chambers, Chief - Contract Administration and Audit Division - DMEA - Washington, D. C.

From: Executive Officer - DMEA Field Team - Region V

Subject: DMEA-3265, Ldm-8530 (Mica)
Mines and Mining, Inc., Asheville, North Carolina
Marlow Jap Mine, Transylvania County, North Carolina

Reference is made to your letter of June 11.

The facts as stated in the Report of Review are in agreement with our data, and we have distributed the copies.

The matter of construction of an exploder magazine is confusing. It is my understanding that one was built, and removed at about the time work was recessed in December 1955. Work was never resumed after that, and as the Operator did not show the exploder magazine on his voucher, no payment was made.

As to the 1200 pounds of mica reportedly recovered, it was of very poor quality and, so far as we can determine, has not been sold and is not salable. Nothing was produced after December 1, 1955, and it is my opinion that nothing of value was recovered during the project and therefore no royalty is due. The Operator was reminded (letter, December 5, 1956) of his obligation to pay royalty on any production after June 28, 1955 and in his final report, submitted on April 1, 1957, he stated that nothing of value was recovered.

Robert A. Laurence

RAL/mg
cc - Operating Committee (2)
Mr. V. J. Lynch
Finance Office
Mr. L. E. Shirley
File

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/11	Talbert	800
6/12	C	220
6/12	Hook	600

JUN 11 1957

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region V
Room 14, Post Office Building
Knoxville 2, Tennessee

Re: Docket No. DMEA-3265 (Mica)
Mines and Mining, Inc.
Farlow Gap Mine
Transylvania County, N. C.
Contract No. Idm-E830

Dear Mr. Laurence:

Enclosed are the original and two copies of a Report of Review in lieu of a final audit of the referenced project. If you concur with the facts stated therein, the original and one copy should be forwarded to the regional finance officer and the other copy should be retained in your files. If for any reason you do not concur please return the original and both copies to this Division.

Your memorandum of June 6, 1957, confirming the project work acceptably performed, indicates that an exploder magazine was constructed. However, the fixed unit cost of $13.00 for this item of work was not claimed on the forms MF-104 and the Operator's final narrative report does not list this item among those claimed to have been completed. Also, the Field Team's Interim Report of October 6, 1955, states "The operator was advised **** to build a cap magazine." Therefore, no allowance has been made for this magazine.

During this review it was noted that, although no royalty on production has been paid to the Government, approximately 1,200 pounds of mica were produced by the exploration work prior to November 17, 1955, and that probably additional production occurred subsequent to that date. Accordingly, it is suggested that the Operator be requested to account for any sales of this production and pay the royalty due.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Director
Contract Administration
and Audit Division

Enclosure

EDTalbert/wb 6/11/57

Copy to: Docket
Admr. Reading File
Helen R. Miller
Mr. Chambers
Mr. Talbert

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1051 FEDERAL BLDG.
KNOXVILLE 2, TENN.

WASHINGTON OFFICE

June 7, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 10 1957

DATE		CODE
6/10	C	220
6/11	FEJ	110
		130
6/14	C	220
6/25	WCA	600

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report, DMEA-3265, Idm-E830-mica
Mines & Mining Inc. Asheville, N. C.
Farlow Gap Mine, Transylvania County, N.C.

Enclosed are four copies of the subject report.

Certification is not recommended. The project was terminated by mutual agreement with a "pseudo-certification" clause.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
6-14-57
(date)

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 10 1957

DATE	INITIALS	CODE
		130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD TEAM FINAL REPORT

On

DMEA-3265, Idm-E830-mica FARLOW GAP

Transylvania County, N. C.

By

Robert A. Laurence, Geologist
Geological Survey, USGS

and

V. J. Lynch, Mining Engineer
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
6-14-57
(date)

Field Team Final Rpt.

z

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 10 1957
DATE | INITIALS | CODE
130-18
220

EXPLORATION PROJECT CONTRACT

FIELD TEAM FINAL REPORT

DMEA-3265-Mica

Operators: Mines and Mining Inc. Box 8184, Asheville, N. C.

SUMMARY

Work under this contract was terminated after only 16 ft of shaft-sinking had been completed. The pegmatite was not adequately explored. The project was notable for the inefficiency and procrastination of the Operator.

Location

The Farlow Gap Mine is 11.5 airline miles N14°W from Rosman, North Carolina. It is in the Pisgah National Forest, in Transylvania County, North Carolina at an altitude of 4200 ft., and about a quarter of a mile from Farlow Gap.

Work Performed

Work began July 22, 1955. About a quarter-mile of access road was repaired, and muck was removed from the open cut at the shaft site. A toolhouse and magazines were built. An inclined shaft was sunk 16 feet before the project was recessed for the winter on December 7, 1955.

At one time (October 1955) the Operator abandoned the incline at 10.5 ft and began a new shaft about 50 ft to the southwest. No payment was allowed for this shaft, and the Operator reluctantly returned to the original incline.

Under the terms of Amendment No. 1, work was to be resumed not later than May 1, 1956 and completed on or before September 30,1956. However, work was never resumed, although desultory efforts were

made by the Operator at intervals through the summer and fall of 1956.

The contract was terminated by mutual agreement December 5, 1956, effective October 1, 1956, and a "pseudo-certification" clause inserted in this agreement.

Work done during the contract period is shown in red pencil on the accompanying map.

GEOLOGY

Geology of this pegmatite is described in Bulletin 64 of the North Carolina Division of Mineral Resources, and in an unpublished report by E. W. Heinrich. The limited amount of work performed under the DMEA contract added no signficant geological information.

Work done under the contract exposed the pegmatite for about 30 feet along the strike and 16 feet down the dip. At 16 feet depth, the pegmatite is about 7 feet thick and contains mostly poor quality bent and stained mica.

An estimated 1200 pounds of this poor quality mica was recovered, but it was not worth the expense of hauling to town and preparing for sale.

EXPENSES

(a)	Total amount of contract	$5,136.00
(b)	Total amount spent	1,353.00
(c)	Government's share of cost	1,014.75
(d)	Value of production	none
(e)	Royalties paid to date	none

CONCLUSIONS AND RECOMMENDATIONS

This contract was badly handled from the start. Inefficient management, lack of understanding of the exploration objectives by

the Operator and unwillingness to co-operate with the Field Team, led to inexcusable delays and eventual termination, without adequately exploring the pegmatite body.

Certification is not recommended. If any future Operator uses the 16-foot DMEA shaft, the Government is protected by the "pseudo-certification" clause in the termination agreement.

Robert A. Laurence, Geologist
Geological Survey

V. J. Lynch, Mining Engineer
Bureau of Mines

June 7, 1957

z

May 22, 1957

Telephone conversation

Robert A. Laurence, Knoxville, Tennessee

Washington Office: Mr. L. G. Houk
Mr. W. C. Anderson

Docket No. DMEA-3265-Mica
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, N. C.
Contract No. Idm-E830

Mr. Laurence states that the staff has a big backlog but will get out the final report shortly.

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

OFFICIAL FILE COPY
DMEA
RECEIVED APR 5 1957

DATE	INITIALS	CODE
4/5	C	220
4/5	[illegible]	800
		225
4/5	WRA	600

April 3, 1957

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3265, Idm-E830 (Mica), Mines ~~and~~ + Mining, Inc., Asheville, N. C., Farlow Gap Mine, Transylvania County, N. C.

Enclosed are the original and three copies of the Operator's final engineering and geologic report, received today.

Robert A. Laurence
Robert A. Laurence
Executive Officer, DMEA
Region V

W. A. Beck
W. A. Beck, for V. J. Lynch
Member, Bureau of Mines

RAL/as
cc
Opr. Com.
Lynch
Shirley
Files

Re: DMEA 3265 Idm E830 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, N. C.

FINAL REPORT ON FARLOW GAP MINE

1. At the time that DMEA terminated the contract, the shaft had been sunk to a depth of 22½ feet without production of any marketable mica; therefore, no definite conclusion can be arrived at regarding ore reserves, if any, resulting from the work.

2. Since there was no production of sheet mica of any value, no assay data is available.

3. The work performed consisted of bulldozing existing trail and grading same for use as an entry road to the mine; cleaning muck from the old shaft and sinking new shaft to a depth of 22½ feet; building storehouse, magazine, and dynamite cap storage box with the following unit cost:

Storehouse	$128.00
Powder magazine	25.00
Cleaning out shaft	160.00
Dozer work on road	360.00
Sinking shaft	1,629.25
Total	$2,302.25

? 22½ @ 42.50 = $956.25 Falbert 4/5/57

OFFICIAL FILE COPY
DMEA
RECEIVED APR 5 1957

DATE	INITIALS	CODE

OPERATORS FINAL REPORT

RECEIVED
APR 3 - 1957
Knoxville, Tenn.

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

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 28 1957

DATE	INITIALS	CODE
3/28	C	226
3/28	[illegible]	800
		225

March 26, 1957

Mr. Dean Hasbrouck
P. O. Box 8184
Asheville, N. C.

Re: DMEA 3265 Idm E830 (Mica)
Mines ~~and~~ Mining Inc.
Farlow Gap Mine
Transylvania County, N. C.

Dear Mr. Hasbrouck:

Our Washington Office has sent me a voucher and monthly report for November 1956 which you sent in reply to Mr. Mittendorf's letter of March 4.

Please note that the termination was effective October 1, 1956, and therefore no work done after that date can be paid for by the Government. We have already reimbursed you for all the work which was approved under the contract, therefore no more vouchers are in order. I am returning all copies of this voucher to you.

Please refer to article 6c of the contract which states that the Operator shall furnish the Government with five copies of a final report. It states that "This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof." It is essential that we have the final report on the work completed with your evaluation of the results.

Please send this report to me as soon as possible.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/as
cc
Opr. Com. 2
Laurence
Lynch

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Anderson	600
3/19	Hoyle	600
3/20	Selfridge	130
12	Johnson	110
"	Mattenberg	100
3/2	C	220

600

MAR 21 1957

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

Re: Docket No. DMEA-3265-Mica
Mines and Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-8830

Dear Mr. Laurence:

Enclosed are four copies of Operator's Monthly Report and Voucher, MF-104, for November 1956, which were transmitted to this office by Mr. D. S. Hasbrouck in response to our request for an Operator's Final Report.

Since he apparently misunderstood our request, it will be appreciated if you will explain to Mr. Hasbrouck that he is obligated to render a narrative report on the work completed and give an evaluation of the results.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

Enclosures 4

WCAnderson:gad 3/18/57

Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

Original MF 104 sent to R-5 on 3-21-57

~~Copy~~

8623

MINES & MINING, INC.

BOX 8184
ASHEVILLE, N.C.

DEAN S. HASBROUCK
PRES. & TREAS.

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 12 1957

DATE	INITIALS	CODE
3/13	C	220
3/14	ava	600
3/21	C	220
		225

Re: Docket No. DMEA-3265-Mica
Mines & Mining, Inc.,
Farlow Gap Mines
Transylvania Cty, N. C.
Contract No. Idm-E830

Mr. C. O. Mittendorf
Administrator;
Defense Minerals Exploration Administration,
United States Department of The Interior,
Washington 25, D. C.

Dear Mr. Mittendorf:

In compliance with your request for a final report on this contract, five copies of each report are submitted herewith.

We regret that due to delays on account of personnel and weather difficulties, we were unable to satisfactorily complete this, our first exploration contract.

Sincerely,

D S Hasbrouck

D. S. Hasbrouck

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of [illegible], 195[illegible] Docket No. DMEA [illegible] Contract No. [illegible]
Operator's Name [illegible] Minerals [illegible]
Address [illegible]
Contract Amount, $[illegible] Government Participation: ____% Amount, $[illegible]

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		[illegible]	[illegible]			
Crosscutting						
Drifting						
[illegible]	[illegible]	[illegible]	[illegible]			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase [illegible]		[illegible]	[illegible]			
Depreciation						
(5) Initial Rehabilitation and Repairs		[illegible]	[illegible]			
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
[illegible]		[illegible]	[illegible]			
(8) Contingencies (specify):						
TOTALS	[illegible]	[illegible]	[illegible]			

RECEIVED MAR 12 1957 D.M.E.A.

I certify that the above bill is correct and just and that payment therefor has not been received.

Date [illegible] *Payee [illegible]

Per [illegible] Title [illegible]

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$_____

Signature _____
(Authorized Certifying Officer)

Date _____ Vou. No. _____

(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

RECEIVED MAR 12 1957 D.M.E.A.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of _____ 195____ Docket No. DMEA _____ Contract No. _____
Operator's Name _____ Minerals _____
Address _____

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				1969.25				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date _____ Operator _____
Per _____ Title _____

REMARKS: _____

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Anderson	600
2/27	Houk	600
3/1	Gudgeon	130
"	Johnson	110
"	Mittendorf	100
3-6	C	220
	Lamb	225
	Nelson	

600

MAR 4 - 1957

Mr. D. S. Hasbrouck
President, Mines and Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265-Mica
Mines ~~and~~ Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. Hasbrouck:

Reference is made to the subject contract which was terminated by mutual agreement on December 5, 1956.

Please note in paragraph three of the Termination Agreement that the Operator is obligated to render a final report and final account. To date this has not been received. In order to close out this docket, it will be appreciated if you will promptly render the final report as stipulated in the Termination Agreement.

Sincerely yours,

C. O. Mittendorf (fw)

Administrator

WCAnderson:gad 2/27/57
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/27	Anderson	600
2/27	Houk	600
3/1	Selfridge	130
"	Johnson	110
"	Mikeadon	100
3/4	C	220

600

MAR - 1 1957

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

Re: Docket No. DMEA-3265-Mica
Mines and Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

225

Dear Mr. Laurence:

Enclosed is a letter we have prepared to the subject Operator requesting a final report according to the provisions of the Termination Agreement. If you have not already received this final report and you agree, please forward the letter to the Operator.

We will also be pleased to receive the Field Team's final report on this project as we need this to properly close the docket.

Your memorandum of December 14, 1956, to the Operating Committee suggesting a letter to Mr. William E. McCrady, the third-party guarantor, will be delayed until the Report of Review is made in this case. We will then advise him as to the actual money for which he may become obligated.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (HB)

Approved:

Frank D. Lamb (HB)
Member, Bureau of Mines

N. E. Nelson (HB)
Member, Geological Survey

WCAnderson:gad 2/27/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

8623

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

December 14, 1956

RECEIVED DEC 17 1956 D.M.E.A.

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3265, Idm-E830 (mica) Mines & Mining, Inc. Asheville, N.C. Farlow Gap Mine, Transylvania County, N.C.

We have recently sent you the fully executed copies of the Termination Agreement for the subject contract.

As this is now "pseudo-certified" we are uncertain as to the status of the third-party guaranty signed by Mr. Wm E. McCrady of 2 West Jordon St., Brevard, North Carolina. We suggest that a letter be written Mr. McCrady, explaining the situation to him.

Robert A. Laurence

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

V. J. Lynch

V. J. Lynch, Member
Bureau of Mines

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

RECEIVED
DEC 17 1956
D.M.E.A.

December 13, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V - Knoxville, Tennessee

Subject: Termination Agreement - Idm-E830, DMEA-3265, Mines & Mining, Inc. Farlow Gap, Transylvania County, N.C.

Transmitted are three signed copies of the subject termination agreement. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:
Anderson
Houk
Talbert
Selfridge
Zimmer

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

DEC - 3 1956

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

Re: Docket No. DMEA-3265-Mica
Mines and Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Mm-1830

Dear Mr. Laurence:

Enclosed are the original and five copies of a Termination Agreement signed by the Government, which pursuant to your recommendation contains a certification by agreement clause.

If this Termination Agreement has your approval, present it to the Operator for signature. Explain to the Operator that since it has not, as requested on several occasions, completed the work set forth in the contract, we have no alternative but to terminate the contract. However, we are willing to terminate by mutual agreement provided it will agree to pay to the Government royalty on any production from the property for the period June 28, 1955, the date of the contract, until June 28, 1966, the date specified in Amendment No. 1, or until the total contribution of the Government has been repaid, regardless of who is the producer. Advise the company that if it does not sign and return within a reasonable time (30 days), the contract may be considered in default and demand made for the repayment of all Government funds contributed to the contract.

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

Sincerely yours,

Approved:

Frank D. Lang (Ayes)
Member, Bureau of Mines

Victor E. Kiilsgaard (Ayes)
Member, Geological Survey

George C. Selfridge (Ayes)
Chairman, Operating Committee

Enclosures 6

WCAnderson:gad 11/29/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.G.S.

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

November 19, 1956

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: L. G. Houk, Chief, Nonmetallic Minerals Division

Subject: Termination Agreement containing a "Certification by Agreement" clause.
Docket No. DMEA-3265-Mica
Mines and Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract No. Idm-E830

Notes on progress of project:

1. Application MF-103 (April 1952) received February 26, 1954.
2. Contract MF-200A (June 1954), dated June 28, 1955. Note that interim between receipt of application and date of contract amounts to one year and four months. This was due to the applicant's difficulty in securing to the Government's satisfaction (a) a satisfactory lease agreement with the Bureau of Land Management, and (b) a performance bond. Not able to furnish a performance bond the Government after considerable waiting finally consented to a Guarantee of Payment of Royalty by a third person.
3. Although the starting date for this contract was August 15, 1955, only 22.5 feet of inclined shaft was sunk by December 1, 1955, when the work was recessed for the winter months up to May 1, 1956, by Amendment No. 1 which also provided for extension of completion date from December 1, 1955, to September 30, 1956.
4. On May 29, 1955, the Field Team advised that work had not resumed on the scheduled date, and that they were not at all pleased with the way the operator handled the job. Throughout the entire period of the contract the operator paid little heed to the Field Team's admonitions that if the work was not completed by September 30, 1956, the contract could be considered in default. The operator was given the promise of an extension of time only if the work would be completed by the time of the first snowfall (approximately November 15, 1956), and if this was not the case, the operator might be required to repay all Government contributions.

5. On November 9, 1956, the Field Team advised that it appeared that no work would be done in the next five or six months, and instead of nursing this project along for another year, recommended that the contract be terminated by mutual agreement with a "pseudo-certification" clause.

Comments: Neither the President nor the Secretary of Mines and Mining, Inc., appear to have mining experience or ability, and they have had no success at hiring competent mining men. The examining engineers have had unpleasant experiences with these operators. It has been reported that the engineers were admonished to watch out carefully while in the vicinity of the Farlow Gap Mine, since one of the operators was seen prowling around armed with a gun on the pretense that he was hunting, although it was not the hunting season.

Recommendation: Because the operator has shown no intention of returning to work and apparently does not have the know-how to carry on the exploration work, the Nonmetallic Minerals Division concurs in the Field Team's recommendation to terminate the project by mutual agreement with a "pseudo-certification" clause.

Walter C. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

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

RECEIVED
NOV 21 1956
D.M.E.A.

November 19, 1956

Memorandum

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

From: Field Team, Region V, Knoxville, Tennessee

Subject: Docket No. DMEA-3265, Contract Idm-E830 (Mica)
Mines and Mining Co., Inc., Asheville, N. C.
Farlow Gap Mine, Transylvania County, North Carolina

Enclosed are two copies of a letter from Dean S. Hasbrouck, requesting an extension of time for the subject contract.

Mr. Hasbrouck apparently intends to try to complete this work. Past history of this project makes it doubtful that it will be completed efficiently; however, if a recess should be approved, we should insist upon starting not later than May 1, and completing not later than September 30. Those were the terms of the last recess--and no work was done. If Mr. Hasbrouck really does get going, we might consider recommending such an extension, but our present opinion is that both the Government and Mr. Hasbrouck would be better off to forget the project.

Robert A. Laurence
Robert A. Laurence
Executive Officer

V. J. Lynch
V. J. Lynch, Member
U. S. Bureau of Mines

Enclosures 2

PHONE 4-2699

CAISI, Incorporated

"Developers of Lookout Valley"

ASHEVILLE, N. C.

DEPENDABLE RESIDENCE CONSTRUCTION

BUILDERS' HARDWARE

November 15, 1956

Mr. Robert A. Lawrence
Defense Minerals Exploration Administration
Room 13, Postoffice Bldg.,
Knoxville, Tenn.

Dear Mr. Lawrence:

I am hoping to pick up some additional mining equipment in Knoxville in the next week or two, and since I would like to keep on with mica mining as a sideline, I regret that Farlow Gap has to expire unfinished, and a liability against any further contracts being granted. I would request consideration of another renewal until spring to avoid this happening, and keep on trying to get a satisfactory arrangement worked out to get that shaft down; however, the location seems to be one that is difficult to get any miners interested in. I am willing to continue making an effort to locate an experienced mica miner and finish up the work satisfactorily, rather than give up the possibility of obtaining any further government help, if it would be at all possible to obtain another deferment of the closing of the contract. The prospect of plenty of good weather to work uninterruptedly might make the difference in getting the right man to take it over. I feel that your experience in handling this type of venture is such that I will be talking against better judgement in endeavoring to convince you that we should try once more, so I just leave it to you, and will wait to hear what you think about it.

Sincerely,

Dean S. Hasbrouck

Dean S. Hasbrouck

RECEIVED
NOV 19 1956
Knoxville Tenn.

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

RECEIVED NOV 13 1956 D.M.E.A.

November 9, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3265, Idm-E830 (mica) Mines & Mining, Inc., Asheville, N. C. Farlow Gap Mine, Transylvania Co. N.C.

Attached are three copies of a letter from D. S. Hasbrouck, and 3 copies of our reply.

It appears that, with the approach of winter, little or no work is likely to be done in the next 5 or 6 months. Judging from past experience, nothing would be done next summer either, although Mr. Hasbrouck (having taken over management from his former partners) seems to be conscientiously attempting to do something about the situation.

It is our recommendation that the contract be terminated by mutual agreement, with a "pseudo-certification," effective October 1, 1956. An alternative, with less appeal to us, would be a recess until May 1 with four months after that to complete the project. While the Farlow Gap remains a favorable exploration target, we do not think it is good enough to justify the expense of nursing it along for another year.

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

V. J. Lynch
V. J. LYNCH
MEMBER, BUREAU OF MINES

copy mg 11/9/56

P. O. BOX 8184 DEAN S. HASBROUCK, PRESIDENT PHONE 4-2637

CAISI, Incorporated

"Developers of Lookout Valley"

Asheville, N. C.

Dependable Residence Construction

Builders' Hardware

November 8, 1956

DM EA 3265

Mr. Robert A. Lawrence
U. S. Dept. of the Interior
Knoxville, Tenn.

Dear Mr. Lawrence:

Since I last talked to you, I have been to that mine with three more individuals who answered my ad, (the one who was going to take the job I told you of decided to decline it), and each one after looking it over, did not want it up to the last one, who agreed to go ahead and begin work. On the first hole the hammer broke down and had to send it to Atlas Copco in Knoxville, and have not yet heard how long they will take on it.

At this point, I am stumped on this mine, and I couldn't blame you in the slightest if you wish to stop bothering with it; however, I am still willing, and wish to keep on trying to get the job done. I don't think that more than six or seven additional feet have been sunk, and I realize that we cannot reasonably expect much more good weather. This last man says he is willing to go in and stay for a week at a time, even if the weather is colder, as long as it is not raining.

Meanwhile, I will keep endeavoring to get the work begun, and completed if at all possible this year, unless I hear otherwise from you, and will keep you advised concerning what progress is made.

And thanks for your patience. (Personally, I'm beginning to believe the mine has been jinxed).

Sincerely,

/s/ Dean S. Hasbrouck

Dean S. Hasbrouck

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 25, P.O. BLDG.
KNOXVILLE 2, TENN.

November 9, 1956

Mr. D. S. Hasbrouck
P.O. Box 8184
Asheville, North Carolina

Re: DMEA-3265, Idm-E830 (mica)
Mines and Mining Inc.
Farlow Gap Mine

Dear Mr. Hasbrouck:

Thanks for your letter of November 8, advising me of present conditions at the Farlow Gap mine.

Mr. Lynch and I have talked this over, and we think both you and the Government would save money if you shut down the job. Even if you do get a miner, weather conditions are going to make work very difficult.

Probably it will be best to terminate the contract as of the September 30 expiration date; however, we will advise you, after consultation with our Washington office, just what the status of the contract is.

It is too bad so many difficulties beset your attempt to get the work under way this fall. The Farlow Gap mine is still a good exploration bet, but hardly good enough to justify the high cost which apparently it will require to complete it.

Sincerely yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/am
cc
Lynch
Opr. Com-3
Shirey
Files

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

RECEIVED
OCT - 4 1956

October 3, 1956

Mr. Dean Hasbrouck
Mines & Mining, Inc.
P.O. Box 8184
Asheville, North Carolina

Re: DMEA-3265, Idm-R830 (mica)
Farlow Gap Mine
Transylvania County, N.C.

Dear Mr. Hasbrouck:

Thank you for your letter of October 1, enclosing key to the gate on the Forest Service road.

Our field men will not get to Farlow Gap this week, as they already have a full schedule. They will plan to inspect the mine on their next trip, which will be October 18 or 19. They will notify you in advance when a definite date is scheduled.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/mm
cc
Opr. Com.-2
Lynch
Shirley
Files

DMEA-3365
Tenn E 830

MINES & MINING, INC.

BOX 8184
ASHEVILLE, N. C.

Oct 1, 1956

RECEIVED
OCT - 3 1956

DEAN S. HASBROUCK
PRES. & TREAS.

[redacted]

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

Mr. Robert A. Lawrence
Defense Minerals Exploration Administration
Room 13, Postoffice Bldg.,
Knoxville, Tenn.

Dear Mr. Lawrence:

We have been continuing to have what seems to be normal luck with getting going at Farlow Gap. After locating a pump, they neglected to send instructions with it, and had to send to Ohio for some before we could discover what was causing it not to function properly. When we were ready to start, Owens dislocated his hip, so we engaged his brother, who has had experience, to take over until he has recovered. They were scheduled to begin this morning again, and I will get over either late tomorrow, or Wednesday to see how they are progressing. I realize that contract is supposed to have expired, but I think as you do, that it would be too bad to have started and gone so far just to call it off, and since we finally have everything we need there to make some progress, I believe there will be some footage to show in the shaft by the time the inspectors get up there. I assure you that I have been expending much effort, and considerable expense to get going on the mine, and all these delays are not occasioned by imaginary troubles. Should any further delay come about because of labor trouble, I have corresponded with a Clarence Hall, who is recommended by Mitchell Distributing Company as a competent miner, about running the shaft on down, and am waiting a reply at present to see when he will be available if we need him.

Sincerely,

Dean Hasbrouck

Dean Hasbrouck

RECEIVED
OCT 3 - 1956
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

We have installed our own lock on one side of gate, and I enclose key for same.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 15 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
SEP 20 1956

September 18, 1956

Memorandum

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

From: Field Team, DMEA, Region V, Knoxville, Tennessee

Subject: Docket No. DMEA-3265, Contract Idm-E830 (Mica)
Mines & Mining, Inc., Asheville, N. C.
Farlow Gap Mine, Transylvania County, North Carolina

We have just received a letter from Mr. Dean S. Hasbrouck, dated September 16, which says -

"I believe it would be a good idea for the inspectors to catch the Farlow Gap mine on the inspection following this scheduled one, this week. We had to have a pump, and the best I could do around here was get promise of an effort to get two week delivery. Finally found one in Atlanta which has been shipped, and I believe will be delivered to Brevard tomorrow. There fore we should be back at work Tuesday morning, and if this good weather holds, should make some real progress by the time of next inspection."

Thus we will not know by September 30 whether or not any progress is being made. The next inspection trip would normally fall on October 4 or 5.

It looks as though Mr. Hasbrouck finally has decided to get on the ball, and if so, we're inclined to go along with him. In that case, a time extension will be necessary, as well as some extension of the royalty guaranty. We will withhold our recommendation until after the October 5 inspection.

Robert A. Lawrence
Robert A. Lawrence
Executive Officer

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
ROOM 151 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
SEP 13 1956

September 11, 1956

Memorandum

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

From: Field Team, DMEA, Region V, Knoxville, Tennessee

Subject: Docket No. DMEA-3265, Contract No. Idm-E830 (Mica)
Mines and Mining, Inc., Asheville, N. C.
Farlow Gap Mine, Transylvania County, North Carolina

Enclosed are four copies of the latest interim report on the subject contract.

Mr. Hasbrouck has replaced Fred Wilson as foreman with Marvin Owens, who did the work on this job last fall. He insisted that he will prosecute the work vigorously in accordance with the contract. Although we have heard this story many times before, we agreed to go along with him on this new attempt because of his now apparently sincere desire to complete the job.

We pointed out that the contract could be considered in default because work was not resumed by May 1, and that September 30 is the completion date specified in the contract. It is, of course, impossible to complete the work by September 30 with only one shift, and a second shift at this job would not be practical. We advised Mr. Hasbrouck that we would recommend extension beyond September 30 only if work accomplished between now and that date indicated that the job would be completed before the first snowfall (approximately November 15), and that if this was not the case, he might be required to repay all Government contributions.

The Field Examiners will again inspect the project on about September 21 and we hope a definite decision can be made then.

Robert A. Laurence
Robert A. Laurence
Executive Officer

W. A. Beck
W. A. Beck, for V. J. Lynch
Member, Bureau of Mines

RECEIVED
SEP 13 1956

INTERIM REPORT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE

Operator: Mines and Mining, Inc., P. O. Box 8184, Asheville, North Carolina
Location: 11.5 airline miles N14°W of Rosman, Transylvania County, North Carolina in the Pisgah National Forest.

This visit was made in conjunction with a scheduled examination on the Bee Tree No. 1 Mine. Mr. R. A. Laurence, Executive Officer of DMEA, Region V, and the Field Examiners met with Mr. D. S. Hasbrouck, one of the partners in the company, and discussed the situation as it now exists at the mine. Mr. Hasbrouck advised that sinking would resume in the inclined shaft in the coming week and that an effort would be made to complete the contract by September 30, 1956.

The operator was advised to notify the Executive Officer as soon as operations resumed so that the Field Examiners could regularly schedule the inspection.

L. E. Shirley

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

A. R. Taylor

A. R. Taylor, Geologist
U. S. Geological Survey

September 7, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~
ROOM 15 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
SEP - 4 1956

August 31, 1956

Memorandum

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

From: Executive Officer, DMEA Field Team, Region V

Subject: DMEA-3265, Idm-E830 (Mica)
Mines & Mining, Inc.
Farlow Gap Mine, Transylvania County, North Carolina

Reference is made to your letter of August 24.

We have been advised by the Operator, that work is being resumed. We have agreed to meet with them on September 7, and discuss the status of this contract, and on the same day we will examine the Bee Tree No. 1.

Although any appreciable progress before September 30 still seems unlikely, we will wait until after the September 7 field conference before making a definite recommendation about termination, in order to give the Operator every opportunity to complete the job if he really shows any intent to do so.

Robert A. Laurence

Robert A. Laurence

August 30, 1956

Mr. Robert A. Laurence calling Mr. L. G. Houk

(Mr. Houk explained to Mr. Laurence that his secretary was on the line)

Re: Docket No. DMEA-3265-Mica
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina

Mr. Laurence: Hasbrook has old Fred Wilson out there working and we have agreed to meet him out there and look at Farlow Gap Mine (DMEA-3265) next week.

Mr. Houk: The Bee Tree (DMEA-4283) Fred Wilson's other job should be examined with the idea in mind of denying it.

Mr. Laurence: They run out September 30th. (Farlow Gap Mine - DMEA3265).

Mr. Houk: No extensions.

Mr. Laurence: We should tell them when we go out there that they have up to September 30th and no extensions.

Mr. Houk: Mr. Frank Johnson says let it go to September 30th and if it is not completed by then, if they do a little bit of work, keep it open.

Mr. Laurence: It it looked like they could finish by October 30th I would give them a month.

Mr. Houk: We have had so much trouble with Fred Wilson. You have to report to us what you say on the ground. Your recommendation then would be subject to the determination of the operator. We have always had trouble with Fred Wilson we were inclined to go along with Johns -- no Heinrick - 44. My idea was that they would have to verify that no work had been done since.

Mr. Laurence: We have a date with Hasbrook and Wilson on Friday of next week. We will let them know.

DEFENSE MINERALS ADMINISTRATION

97021

PRODUCTION EXPANSION DIVISION

LOAN APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Amount of loan and interest rate _____

Type of Loan (R.F.C. or Guaranteed Bank Loan) _____

Term of Loan _____

Purpose of Loan — Mine Equipment _____

Mill or Reduction Plant _____

Operating Funds _____

Other _____

Repayment and Rate _____

Comments on Contract: _____

_____

_____

_____

_____

Date sent to Legal Division: _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to R.F.C. by D.P.A. _____

Date Signed into Contract by R.F.C. _____

Additional Remarks: _____

_____

_____

_____

_____

Interior—Duplicating Section, Washington, D. C.

Signed _____

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Williams

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

AUG 24 1956

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

Re: Docket No. DMEA-3265-mica
Mines and Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-2830

Dear Mr. Laurence:

Reference is made to your memorandum of August 14, 1956, on progress at the subject mine.

We agree that another time extension amendment beyond September 30, 1956, is not desirable. The operator has demonstrated his incompetency and reluctance or inability to complete the exploration project contract. We do not think a sharp letter from Washington will have any effect. We have already given him a warning in our letter of June 20, 1956, when referring the Bee Tree Mine No. 1, Docket No. DMEA-4283, to you for possible field examination. We indicated in this letter that failure on his part to prosecute the contract work at the Farlow Gap Mine would be cause for denying his application under DMEA-4283.

If you think that termination of the contract for cause would be the best solution, we will agree and prepare the papers in this office. We will appreciate having your further comments and analysis of this case, particularly, on the timing of the termination for failure to prosecute the contract work. Would you recommend termination prior to September 30, 1956?

Approved:

FRANK D. LAMB (JLB)
Member, Bureau of Mines

W. P. Williams (JLB)
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JLB)

P.S. Operator should be advised that he is in default of the contract by not resuming work prior to May 1, 1956, and completing it before September 30, 1956, and therefore may be obligated to refund the entire amount of the Government's contribution.

WCAnderson/LGHouk:ms 8/21/56
Copy to: Docket
Operating Committee
Mr. Killsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

cw

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

August 22, 1956

Memorandum

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

From: Field Team, DMEA, Region V, Knoxville, Tennessee

Subject: DMEA-3265, Idm-E830 (Mica)
Mines and Mining Inc., Asheville, N. C.
Farlow Gap Mine, Transylvania County, North Carolina

Enclosed are two copies of a letter from Fred Wilson, whom the Operators have hired to do the work at the Farlow Gap mine.

Mr. Wilson's proposal is unacceptable, and shows clearly why we don't expect anything worth while to be accomplished here.

Mr. Hasbrouck telephoned here to explain the situation. He agreed to try to convince Wilson that the incline must be sunk to the proposed depth before doing any drifting.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 2

WORK TO BE DONE AT THE

FARLOW GAP MICA MINE

BEGIN at the 16 ft., depth of the present main shaft, which is the bottom of the vein pegmatite, follow the pegmatite on the strike of the vein South West, for the entire distance of the shaft and tunnel work to be done 110 ft. less the 16 ft shaft work done. Either tunnel under the surface works, and muck lying overhead, or clean off and shoot a open cut to the bottom of the pegmatite coming from the bottom of the present shaft, work this for appx., 30 feet to the 10 ft., shaft in the side of the hill to the south west, then at that distance and length of the open cut continue on in the mt., for the remaining distance 84 ft., from a steel pipe driven in a drill hole at the bottom of the present shaft.

THIS Pegmatite does not dip either North or South into the hill, but continue on the strike of the vein, follow vein only in one direction and into the mt., down appx., 12½ degrees South West. the side walls form a tray on the bottom of the pegmatite, and to follow this vein is to continue with the pegmatite S. W.,

THIS is a Contact Vein and not afissure vein. Probally caused by Volcanic eruption, the entire pegmatite is in the form of a pipe or barrel, these kind of mica veins is deep seated and comes from great depth. Probally from the source of the Bee Tree Mica mine 4 miles S.W. Entrance to this mine, and muck removed can be very eaisly done by coming in from the front entrance with bottom of worked out East side of mine.

THIS is a true and full description of the formation of this mine and and can be worked, and satisfactory if this above method is used. an order is required, with expension of time. The work will be started promptly when that is received.

Mines & Mining, Inc.,

By D. S. Hasbrouck.

Fred Wilson.

Signed

Aug 18th 1956. Fred Wilson

RECEIVED
AUG 20 1956
Geologic Division
Knoxville, Tenn.

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

August 14, 1956

RECEIVED
AUG 16 1956

Memorandum

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

From: Field Team, DMEA, Region V, Knoxville, Tennessee

Subject: DMEA-3265, Idm-E830 (Mica)
Mines and Mining, Inc., Asheville, N. C.
Farlow Gap Mine, Transylvania County, North Carolina

The expiration date for work at this project under amendment No. 1 is September 30, 1956. Under the terms of the same amendment, work was to have been resumed before May 1, 1956, but as yet it has not been resumed.

Thus only six weeks remain, in which the Operator must complete 34 feet of shaft and 75 feet of drift. We are not inclined to favor another amendment beyond September 30, as operation after November 15 is impractical and inefficient, and this Operator almost certainly would request another winter recess.

Nothing has been heard from the Operator since July 8, when Mr. Hasbrouck wrote, in part, "We hope that the weather will allow us positively to begin work next week. We are planning to start work on the road Monday, July 9, 1956. I trust that I will be able to advise you that we have started drilling sometime next week."

We get no results from our letters to this Operator. Maybe a sharp letter from the Washington office would be effective. Probably the happiest solution all around would be termination, as we doubt now that the Operator will ever finish this job satisfactorily.

Robert A. Laurence
Robert A. Laurence
Executive Officer

V. J. Lynch
V. J. Lynch
Member, Bureau of Mines

RECEIVED
JUL 1 9 1956

July 10, 1956

Mr. Dean Hasbrouck
Mines & Mining Inc.
P.O. Box 8184
Asheville, North Carolina

Re: DMEA-3265, Idm-8830 (mica)
Farlow Gap Mine
Transylvania County, N. C.

Dear Mr. Hasbrouck:

Thank you for your letter of July 8, advising that you hope to resume work at the Farlow Gap Mine this week.

There were no specific written instructions as to how to sink the shaft, except those contained in Exhibit "A" of the contract. This specified that the shaft should be sunk on the pegmatite, a maximum depth of 50 feet, should have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber, and should have a partitioned manway. The location was approved by our Field Examiners last fall, and work should be resumed at the bottom of the 16-foot shaft where you were when the project was recessed last December.

Our Field Examiners will visit the mine on their next trip to that area, if we are advised that work is actually underway. Their next visit to that area will be either July 24 or July 31.

Very truly yours,

Robert A. Lawrence
Executive Officer, DMEA
Field Team, Region V

RAL/sm
cc:
Lynch
Shirley
Operating Com.
Files

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

July 5, 1956

Mr. Dean Hasbrouck
Mines & Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

Re: DMEA-3265, Idm-E830 (Mica)
Farlow Gap Mine
Transylvania County, N. C.

Dear Mr. Hasbrouck:

Please let me know what progress is being made at the Farlow Gap mine. It is now two months past the time provided for resumption of work and we have heard nothing.

It is imperative that work be started soon, otherwise it will not be completed before the bad weather sets in again in November or December.

Very truly yours,

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

RAL/mg
cc
Operating Committee (2)
Lynch
Shirley
files

RECEIVED
JUL 9 - 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

WASHINGTON 25, D. C.

RECEIVED
MAY 31 1956

May 29, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3265, Idm-E830 (mica) Mines & Mining Inc.
Asheville, N. C. Farlow Gap Mine, Transylvania County, N. C.

Following is recent chronology on this project:

March 5. Agreement to recess project until May 1, 1956.

April 4. Letter from Executive Officer to Operator reminding them of date for resumption of work.

April 16. Letter from D. S. Hasbrouck, advising that snow and heavy rains has delayed attempts to work.

May 25. Letter from D. S. Hasbrouck, citing difficulty in obtaining a miner, and advising that they hope to resume during week of May 28, "provided we have no more delay."

We are not at all pleased with the way the Operator has handled this job. However, it is poorly accessible and the delays may be justifiable, and as they appear to be attempting to resume operations, we will wait and see what happens. An amendment will be required to authorize a later starting date; as yet we cannot predict when that date will be.

Robert A. Laurence
Robert A. Laurence
Executive Officer, Region V

V. J. Lynch
V. J. Lynch, Member
Bureau of Mines

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

RECEIVED
APR 6 - 1956
ROOM POST OFFICE BLDG.

April 4, 1956

Mr. Dean Hasbrouck
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-E830-Mica
Mines & Mining Inc.
Farlow Gap Mine, Transylvania County,
North Carolina

Dear Mr. Hasbrouck:

This is to remind you that Amendment No.1 provided that work at Farlow Gap should be renewed after the winter recess not later than May 1, 1956.

Please advise me when you plan to resume work, so that our Field Examiners may schedule their inspection visits.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/sm
cc:
Opr. Com.-2
Lynch
Shirley
Files

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

RECEIVED
MAR 12 1956

March 8, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Idm-E830, DMEA-3265, Mines & Mining, Inc. Amendment No. 1

Transmitted are three signed copies of the subject Amendment. The usual distribution of the other copies has been made by this office.

Robert A. Laurence

Robert A. Laurence

DOCKET COPY
Surname:
Anderson
Houk
Selfridge
Johnson
Washington

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

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

MAR - 1 1956

Re: Docket No. DMEA-3265-Mica
Mines and Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. Laurence:

Reference is made to the Field Team's request for an amendment to recess the subject project for the winter and extend the completion date to September 30, 1956.

We have prepared and enclosed herewith the original and five copies of the requested amendment for your signature. Two extra copies are included for the Field Team. If it meets with your approval, please sign it in behalf of the Government and present it to the Operator for approval and signature.

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

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JHB)

Approved:

P. F. Yopes (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures: 8

WCAnderson:ms 2/20/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.G.L.

DOCKET COPY
Surname:
Anderson
Houk
Sawyer
Mitchell

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

FEB 27 1956

Mr. Dean S. Hasbrouck
Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265-Mica
Mines & Mining, Inc.
Farlow Gap Mines
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. Hasbrouck:

Reference is made to your request for supplanting Mr. W. S. McCrady by Mr. Robert H. Greer as guarantor of payments to the Government of any royalties that may fall due under the provisions of the subject contract.

We regret that as there does not appear to be any benefit to the Government to release Mr. McCrady as guarantor, your request must be denied.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson:ms 2/20/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrick, 3061
Mr. Houk
Mr. Anderson

R.S.S.

DEPARTMENT OF THE INTERIOR
Office of the Solicitor

Date **February 13, 1956**

Referred to: **Administrator, DMEA - Attention: L.G. Houk**

From: **Associate Solicitor Dwyer**

For: Information and retention _____

Information and return _____

Necessary action and return **X**

Comment and return _____

Distribution in office or region _____

Remarks: **Since there appears to be no benefit to the Government for substitution of guarantor, we have not surnamed the attached letter. It is suggested that a statement of reasons why substitution would be to the Government's interest be obtained.**

(Signature)

INT.-DUP. SEC., WASH., D.C. 84986

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

Mr. Dean S. Hasbrouck
Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. Hasbrouck:

Reference is made to your request for supplanting Mr. W. S. McGrady by Mr. Robert H. Greer as guarantor of payments to the Government of any royalties that may fall due under the provisions of the subject contract.

~~We will not agree to having Mr. McGrady supplanted by Mr. Greer as guarantor. We will agree to have Mr. McGrady relieved as guarantor if you will obtain a performance bond in the amount of $3,852.00. Several companies write such bonds at a nominal cost.~~

~~When you have indicated to us that you will either retain Mr. McGrady as guarantor, or have secured a performance bond in the amount of $3,852.00, we will then proceed with the amendment providing for a recession of exploration work until May 1, 1956, and completion of the work by September 30, 1956.~~

We regret that as there does not appear to be any benefit to the Government to release Mr. McGrady as guarantor, your request must be denied.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

We would prefer that you obtain a performance bond in the amount of $3,852.00. Several companies write such bonds. However, if you are unable to obtain the bond, we will accept this letter as the Guarantor, in which case have the Guarantor sign the set aside forms of the Guaranty of Payment of Royalty. All six copies of the executed Guaranty must be returned to this office.

DOCKET COPY
Surname:
Anderson

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

February 6, 1956

Memorandum

To: Mr. Robert Dwyer, Associate Solicitor

From: L. G. Houk, Chief
Nonmetallic Minerals Division

Subject: ~~Amendment and Guarantee of Payment of Royalty~~
Docket No. DMEA-3265-Mica
Mines and Mining, Inc.
Parlow Gap Mine
Transylvania County, North Carolina
Contract No. Idm-E830

Pursuant to the Field Team's memorandum of February 1, 1956, there is attached for processing, a draft of an amendment to recess the subject project for the winter and extend the completion time of the contract to September 30, 1956.

WCAnderson:ms 2/6/56
Copy to: Docket
Admr. R. File
Mr. Houk
Mr. Anderson

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

RECEIVED
FEB - 3 1956

January

February 1, 1956

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: DMEA-3265, Idm-E830 (mica) Mines & Mining, Inc.
Asheville, N. C. Farlow Gap Mine, Transylvania County, N.C.

On December 5, 1955, we requested permission to recess this project for the winter and to amend the contract to extend completion time to September 30, 1956.

Please advise us as to what action is to be taken.

Robert A. Laurence

Robert A. Laurence

DEC 1 5 1955

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

Re: Monthly Operator's Report, MF-104

Dear Mr. Lawrence:

Reference is made to the narrative portion of the Monthly Operator's Reports, MF-104, which generally do not contain sufficient information.

Special reference is made to Dockets Nos. DMEA-3265, and DMEA-3904. The narrative portions of the Operator's Reports for October, 1955, in both cases are good illustrations of inadequate reporting.

Whenever it is necessary, please explain to the Operators that they should follow as closely as possible the instructions in Section (e) of the Operator's Monthly Report. We would like to have a narrative statement that is a concise description of the progress made, results accomplished, unusual difficulties encountered, total feet of advance during the month, and the amount of mica recovered. The Operator should report all sales made in the month, all sheet mica sold to the Government Mica Buying Depot, or punch, circle, scrap, feldspar, or any other mineral recovered or sold. He should be instructed that the royalty becomes due when the sale is made. Under difficulties encountered, the Operator may mention the type of rock, difficulty in drilling, and any breakage of equipment that results in delay.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

/s/ Robert W. Geehan

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:gad 12/9/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

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

RECEIVED
DEC - 7 1955

December 5, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V, Knoxville, Tenn.

Subject: DMEA-3265, Idm-E830 (mica) Mines & Mining, Inc.
Farlow Gap Mine, Transylvania County, N. C.

Permission is requested to recess this contract after November 30, 1955, to be re-opened not later than May 1, 1956, and to be completed before September 30, 1956.

Progress has been slow, so that instead of being completed by the date stated in the contract (December 1), work has hardly begun. Because of extremely poor access and high altitude, it will be difficult to work on this project during the winter months. Therefore, we recommend preparation of an amendment as indicated above.

The Operator has already removed his rented equipment from the site, after a field conference with Messrs. Lynch, Shirley, Bergman and Taylor.

Robert A. Laurence
Robert A. Laurence

December 1, 1955

Mr. L. G. Houk calling Mr. R. A. Laurence, Knoxville, Tenn.

Re: Docket No. DMEA-3265 - Mica
Mines & Mining Inc.
Farlow Gap Mine

Mr. Laurence: We are having a hazzle on Farlow Gap. They can't get the equipment in there and they say we told them they could move the equipment and we are going to recommend a recess until April.

Mr. Houk: We are writing a letter on deficiencies in their monthly report.

Mr. Laurence: Those fellows went down ten feet and then they sunk three shafts eight feet deep and the deepest one was 10½ ft. and that is all we are paying them for. Grant was nasty. Lynch is over there today. We are going to close down until spring.

Mr. Houk: Is it any good?

Mr. Laurence: Yes if it is run right.

~~Mr. Houk~~

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

RECEIVED
DEC 19 1955

INTERIM REPORT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE

OPERATOR: Mines and Mining, Inc., P. O. Box 8184, Asheville, N. C.

LOCATION: 11.5 airline miles N14°W of Rosman, Transylvania Co., N. C. in the Pisgah National Forest

Inclined shaft sinking continues on this contract and is now at a depth of 16 feet. Material encountered has been pegmatite composed essentially of feldspar, small quartz, and poor quality mica. At this depth, the body is about 7 feet thick.

The operators were in the process of moving equipment from the mine preparatory to a recession during the extreme winter months. Mr. Dean Hasbrouck stated that mining would resume about May 1, 1956. The operators were requested to notify the Executive Officer when work does begin again. Progress on this contract has been slow.

Mr. V. J. Lynch, Bureau of Mines Member of the Field Team, accompanied the Examiners on this visit to the mine.

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

S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

December 1, 1955

Form 11F-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED DEC 19 1955

Month of ....., 195.... Docket No. DMEA 3266 Contract No. 850
Operator's Name Mors. & Mines & Mining Inc. Minerals Mica
Address Box 8164 Asheville, N. C.
Contract Amount, $ 6156 Government Participation: ....% Amount, $ 5062

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting Road		360.00	360.00		360.00	360.00
Drifting						
				233.75	446.25	680.00
(2) Labor and Supervision: Shaft(6)	255.00	701.25	956.25			
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation Magazine		25.00	25.00		25.00	25.00
(5) Initial Rehabilitation and Repairs					128.00	128.00
(6) New Bldgs., Improvements, etc.		128.00	128.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
cleaning out hole		160.00	160.00		160.00	160.00
TOTALS	255.00	1374.25	1629.25	233.75	1119.25	1353.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Dec 1955 *Payee Mines & Mining Inc.

Per Roger A. Grant Jr. Title Sec Treas

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 175.31

Signature Helen R. Muller
(Authorized Certifying Officer)

Date DEC 15 1955 Vou. No. 38

(See other side)

58.44

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 830 in accordance with the terms of the contract.

Signature [illegible] Title Mining Engr. USBM Date DEC 14 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date DEC 14 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
DEC 19 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Oct. 1955 195 55 Docket No. DMEA 3265 Contract No. 830

Operator's Name Mines & Mining Inc. Minerals Mica

Address Box 8184 Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core	ft.	255.00	6	956.85	22.5	42.50	50	42.50
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
				360.00	30	12.00	30	12.00
TOTAL DISTRIBUTED COSTS		255.00		1316.85				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.				160.00				
				153.00				
TOTAL COSTS		255.00		1629.25				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Dec 1955 Operator mines & mining inc.

Per Roger W. Grant Jr. Title Sec. Treas.

REMARKS:

NOTE.—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.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

COPY

RECEIVED
DEC 19 1955

Mines & Mining Inc.
Boc 8184 Asheville, N. C.

Mr. Robert E. Lawrence
Room 12 Post office Bldg.
Knoxville, Tenn

Dear Mr. Lawrence,

We enjoyed very much your visit by Mr. Lynch. I dont know what he learned other than what I had already outlined in my previous letter to you. I am filling out this report and am carrying foreward my last momth report as I had originally submitted it to you. If you have to make cany changes on it I guess it can be done there. I still maintain that Teague and Shirley advised us to do what we did. There is only one way I can see it. We sank a ~~[illegible]~~ 6ft shaft and were paid for it. We moved to another shaft as per inst. sank 16 feet of shaft and to date have been paid for four. I am sure we will receive our 255 dollars for our 6ft. this month however we feel that we are still due our 6ft. from last month making 10 ft. instead of just credit for the 4 ft we received credit on. We dont feel that the govt would pay us at all if this work had not been authorized.

Mines & Mining Inc

s/ Roger A. Grant, Jr.

Sec. Treas.

Copied by zm.

3- finance office
Lynch
Shirley
Files

C O P Y

RECEIVED
DEC 19 1955

Daily Report on Farlow Gap Mining Operation Month of Nov.

Nov.	1	mucking
"	2	"
	3	drilling
	4	drilling
	5	mucking
	6	Sunday
	7	mucking
	8	weather
	9	weather
	10	drilling
	11	mucking
	12	off
	13	Sunday
	14	drilling
	15	setting up hoist
	16	" " "
	18	drilling
	19	mucking
	20	"
	21	Sunday
	22	weather
	23	"
	24	drilling
	25	drilling
	26	mucking
	27	"
	28	Sunday
	29	mucking

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 5 SHIRLEY POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
DEC 19 1955

December 14, 1955

Mr. Roger A. Grant, Jr.
Secretary-Treasurer
Mines & Mining, Inc.
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-E830 (mica)
Farlow Gap Mine
Transylvania County, N. C.

Dear Mr. Grant:

Your November voucher has been forwarded for payment of $175.31 which is 75% of $233.75. This represents payment for 5.5 feet of inclined shaft at $42.50 per foot.

Our field examiners measured 16 feet of shaft on December 1, and through October, we have paid for 10.5 feet. This leaves an advance of 5.5 feet for November. Your letter accompanying the voucher confirms the examiners' measurement of 16 feet total depth of the approved shaft.

Please correct your totals to read:

Monthly totals	$ 233.75
Totals previously reported	$1119.25
Total to date	1352.00

No payment is made or can be made on the additional six feet of shaft which you claimed. The Government did not, as you state, pay for six feet of shaft at a site from which you moved. We approved only footage at the site authorized, and we cannot pay for footage duplicated by moving from one site to another. Including the present voucher we have approved payment for 16 feet at the authorized site.

We have asked our Washington office to prepare an amendment to the contract authorizing recessing the project for the winter, to be resumed not later than May 1, 1956 and completed not later than September 30, 1956. These papers will be forwarded for signature when we receive them.

Very truly yours,

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

RAL/sm
cc:
Finance Office-3
Lynch
Shirley
Files

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

WASHINGTON 25, D. C.

RECEIVED
DEC - 1 1955

November 29, 1955

Mr. W. S. McCrady
2 West Jordon St.
Brevard, North Carolina

Re: DMEA-3265, Idm-2830 (mica)
Mines & Mining, Inc.
Farlow Gap Mine
Translyvania County, N. C.

Dear Mr. McCrady:

In reply to your letter of November 26, 1955:

We have not as yet received any royalty payments or records of sales from the Farlow Gap Mine. Reports by our field examiners, who visit the mine every two weeks, indicate that about 1200 lbs. of mica, mostly of poor quality has been taken from the Farlow Gap Mine since the beginning of the exploration contract. Royalties are not due until this is sold or until six months have elapsed if the production is stockpiled and not sold.

Under these circumstances, we would not be justified in withholding the Operator's November voucher for non-payment of royalties. This can be done only in the case of delinquent royalty accounts.

The contract work will not be completed by the original expiration date, December 1. We plan to extend the time for completion, but will not write the amendment until after Mr. Lynch and our field examiners visit the mine on December 1 and confer with the Operators.

As Guaranter, your liability for payment of royalties lasts until June 28, 1965, if the project is eventually certified, or until 6 months after a final accounting is rendered if the project is not certified, or in either case until all royalties have been paid if this occurs before the expiration of the above period.

At present, a total of $839.44 has been paid for work through October 31. This will, presumably, be increased soon, when the voucher for November work is presented.

Very truly yours,

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

RAL/sm
cc:
Lynch
Opr. Com.
Shirley
Files

RMEa
3265

MINES & MINING, INC.

BOX 8184
ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

~~[illegible]~~
~~VICE PRES. & SUPERINTENDENT~~

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

November 27, 1955

RECEIVED
DEC - 1 1955

Mr. Lawrence G. Houk
Chief of the Non-Metalic Minerals Division
U. S. Department of Interior
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Houk:

Mr. W. S. McCrady, who signed the guarantor bond for our company for Farlow Gap Mine contract, is desirous of being supplanted as guarantor by Mr. Robert H. Greer, and a copy of Mr. Greer's financial statement is enclosed herewith.

If this satisfactory with you, we will appreciate your sending the necessary forms for Mr. Greer to sign.

Yours very truly,

Dean S. Hasbrouck

Dean S. Hasbrouck
President

DSH:kh

ASSETS		LIABILITIES	
Cash on hand and in bank	$ 1000.00	Notes due banks	$----------
Notes and accounts due me(good)	---------	Notes due others	----------
Stocks and bonds	2500.00	Accounts and bills due	300.00
Automobile(s)	2000.00	Taxes due	150.00
Furniture, fixtures, equipment	2000.00	Installments accounts(balance due)	----------
Real Estate	---------		
	$15,000.00	Mortgages on real estate	$11,500.00
Total Assets	$22,500.00		
Deduct Total Liabilities	11,950.00	Total Liabilities	$11,950.00
Balance, representing Net Worth	$10,550.00		

How much life insurance do you carry? $34,000 To Whom is it payable? Wife
Annual income from salary, business, or profession $7,500 Other income $_____
Does statment include assets, liabilities and income of wife? No

The above statements are given to the _____ in Asheville for the purpose of securing credit and to the best of my knowledge and belief are complete and correct.

Date Nov. 27,1955 Signed Robert H. Greer

C O P Y

INTERIM REPORT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE

OPERATOR: Mines and Mining, Inc., P. O. Box 8184, Asheville, N. C.

LOCATION: 11.5 airline miles N14°W of Rosman, Transylvania County, North Carolina in the Pisgah National Forest

No progress is reportable on this contract for the past two weeks. The incline shaft remains at 10.5 feet. Some timbering has been accomplished around the incline collar, but is not complete.

The foreman estimates that about 1,200 pounds of mica, most of poor quality, has been produced from all work performed to date. Recent progress on this contract has been slow.

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

S. C. Bergman
S. C. Bergman and A. R. Taylor, Geologists
U. S. Geological Survey

November 17, 1955

RECEIVED
NOV 25 1955

November 17, 1955

RECEIVED
NOV 18 1955

Mr. Roger Grant, Jr.
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-E830 (mica)
Mines & Mining, Inc.
Farlow Gap Mine

Dear Mr. Grant:

After your telephone call yesterday, I carefully checked all our records on the Farlow Gap contract, and also discussed the situation with Mr. Shirley, and with Mr. Lynch.

It is clear that a total of 10.5 feet of shaft has been sunk in accordance with the contract, and therefore the amount approved on your October voucher, which was forwarded for payment on November 14, is correct. Mr. Shirley correctly insisted that you return to the original shaft site and continue sinking on the pegmatite there.

It would not be efficient exploration to sink shallow shafts at several sites along the strike of the pegmatite. The contract clearly calls for 50 feet of inclined shaft with drifts to be driven from the shaft, and any unapproved deviation from that plan cannot be paid for with Government funds.

There is no point in your refusing to accept the check for your October work when it arrives. If you want to re-claim the amount which was deducted, that may be done on your November voucher, but it must be accompanied by proof that you actually completed that amount of work at the approved site.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region V

RAL/mm
cc:
Finance Office
Lynch
Shirley
Files

November 16, 1955

Mr. L. G. Houk calling Mr. R. A. Laurence, Knoxville, Tennessee

Re: Docket No. DMEA-3265 - Mica
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina
Contract No. Idm-E830

Mr. Laurence: .....We have a hazzle on Mines & Mining - Farlow Gap (DMEA-3265) They say they are entitled to more money than we are paying on the monthly voucher. That contract has been troublesome ever since the beginning.

Mr. Houk: The follows at the head of it don't know what it is all about. We never think people new in the game ever come up with anything.

Mr. Laurence: No. Only those who know what they are doing.

Mr. Houk: Anything good up there?

Mr. Laurence: Some good samples. This fellow who got his application was in here for three hours and he had a sample 1.8% and another 1.24% - it sounded good. We found out he shot off a blast in the face and got a specimen. We are dealing with people who don't understand what they are doing and don't understand the mining game. They are going to lose money.

Mr. Houk: That is right.

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

Docket No. DMA - _____ Date received by P.E.D. _____

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

Amount of Metals or Minerals in tons, units or pounds _____

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

Date of Recommendation to D.P.A. for Certification _____

Date Certification sent to G.S.A. by D.P.A. _____

Date signed into Contract by G.S.A. _____

Additional Remarks: _____

_____

_____

_____

_____

NOTE: If application is denied, or if it is recommended for change into exploration, etc., please state under additional remarks.

Interior—Duplicating Section, Washington, D. C.

Signed _____

C

INTERIM REPORT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE

OPERATOR: Mines and Mining, Inc., P. O. Box 8184, Asheville, N. C.

LOCATION: 11.5 airline miles N14°W of Rosman, Transylvania County, North Carolina in the Pisgah National Forest

Inclined shaft sinking continues slowly on this contract and is now at 10.5 feet. At the time of this visit work has been stopped at the original location, and another incline was being sunk on the southwest extension of the body. The operator was advised to return to the site spotted by the examiners and resume sinking operations. Considerable mica has been recovered from work performed, however, it appears to be of poor quality. It is bent badly, contains a green mottled stain and biotite stain. 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 S. C. Bergman A. R. Taylor

K. H. Teague, S. C. Bergman, and A. R. Taylor
Geologists
U. S. Geological Survey

November 3, 1955

RECEIVED
NOV 14 1955

104 (Rev.)
April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.5

PAID ON VOUCHER & SUMMARY OF PAYMENTS

OPERATOR'S MONTHLY REPORT AND VOUCHER

RECEIVED NOV 21 1955

Month of October, 1955 Docket No. DMEA 3265 Contract No. 830
Operator's Name Mines & Mining Inc. Minerals Mica
Address Box 8184 Asheville, N. C.
Contract Amount, $ 5136 Government Participation: 75 % Amount, $ 3852.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road		360.00	360.00		360.00	360.00
Crosscutting						
Drifting						
Shaft (10.5)	446.25	255.00	701.25	191.25	255.00	446.25
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase magazine		25.00	25.00		25.00	25.00
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.		128.00	128.00		128.00	128.00
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify): Cleaning out hole		160.00	160.00			
TOTALS	446.25	928.00	1374.25	191.25	928.00	1119.25

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 4, 1955 *Payee Mines & Mining Inc.

Per Payne A. Grant Jr. Title Sec. & Treas

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 143.44

Signature Helen R. Mellin
(Authorized Certifying Officer)

Date NOV 14 1955 Vou. No. 107

(See other side)

47.81

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. 830 in accordance with the terms of the contract.

Signature Alfred R. Taylor Title Geologist USGS Date NOV 10 1955

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature V. J. Lynch ACTING Title EXECUTIVE OFFICER DMEA REGION V Date NOV 10 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

-104A
(1952)

Budget Bureau No. 42-R1151.2

RECEIVED
NOV 21 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of October 195 5 Docket No. DMEA 3265 Contract No. 830

Operator's Name Mines & Mining Inc. Minerals Mica

Address Box 8184 Asheville, N. C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts	ft.	446.25	10.5	701.25	16.5	42.50	50	42.50
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails				360.00	30	12.00	30	12.00
TOTAL DISTRIBUTED COSTS		446.25		1061.25				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs				160.00				
New Buildings, Improvements, etc.				153.00				
TOTAL COSTS		446.25		1374.25				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

REMARKS:

Date Nov 4, 1955 Operator Mines & Mining Inc.

Per Roger A. Grant Jr. Title Sec. & Treas

NOTE.—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.

(Instructions on reverse)

(For Government use only)

Footage reported for the month is the total footage todate. Corrected on MF 10F.

W. A. Lynch

Alfred R. Taylor
Geologist.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED
NOV 21 1955

Daily Report Farlow Gap Mining Operations

Oct 1 Mucking Mine
" 2 Off Sunday
" 3 Mucking Drilling
" 4 Drilling
" 5 Mucking
" 6 Working on tools
" 7 Mucking Mine
" 8 Off Day
" 9 Sunday
" 10Drilling
" 11 Drilling
" 12 Mucking
" 13 Mucking
" 14 Bad Weather
" 15 Off
" 16 Sunday
" 17 Bad Weather
" 18 Drilling
" 19 Drilling
" 20 Mucking
" Repairing Jeep
" 22 Off
" 23 Sunday
" 24 Mucking
" Drilling
" 26 Mucking
" Bad Weather
" 28 Mucking
" 29 Off
" 30 Sunday
" 31 Drilling

RECEIVED
NOV 21 1955

November 14, 1955

Mr. Rodger Grant, Jr.
P.O. Box 8184
Asheville, N. C.

Re: DMEA-3265, Idm-H830 (mica)
Farlow Gap Mine, N. C.

Dear Mr. Grant:

It has been necessary to correct the MF-104 and MF-104A, Monthly Report & Voucher forms for October 1955, submitted by you recently.

The 10.5 feet advance in shaft which you reported for the month is the total footage to date. The advance for October was 4.5 feet and for September 6.0, a total of 10.5 feet. Therefore, the footage on your voucher for October was changed from 10.5 feet and $446.25 to the 4.5 feet and $191.25.

Please make this change on your copies of the October MF-104 and MF-104A forms.

Very truly yours,

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

VJL/sm
cc:

Finance Office
Lynch
Files-Shirley

Docket Copy
Surname:
Anderson
F L Knouse
F S Johnson

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

[redacted]

Mr. W. S. McCrady
2 W. Jordan Street
Brevard, North Carolina

Re: Docket No. DMEA-3265 - Mica
Mines & Mining, Inc.
Parlow Gap Mine
Transylvania County, North Carolina
Contract No. Idm-E830

Dear Mr. McCrady:

Pursuant to your request in letter of October 15, 1955, to the Knoxville, Tennessee, office of the Defense Minerals Exploration Administration, there is enclosed a copy of your financial statement submitted by Mines & Mining, Inc., by letter of June 14, 1955.

Sincerely yours,

F. L. Knouse, Acting Chief
Nonmetallic Minerals Division

Enclosure

WCAnderson:gad 10/21/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson

R.C.h.

WGAnderson:gad 10/21/55
Copy to: Adm. R. File
Doesch
Field Team, Region V
Mr. Hildebrand, 3222
Mr. Dietrich, 3022
Mr. Hull
Mr. Anderson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1025 POST OFFICE BLDG.
WASHINGTON 25, D.C.
KNOXVILLE 2, TENN.

RECEIVED
OCT 19 1955

October 18, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: Financial Statement - Mines & Mining, Inc. Idm-E830, DMEA-3265, Farlow Gap Mines, (mica) North Carolina

Inclosed is a copy of a letter received from W. S. McCrady, Guarantor, requesting a copy of the Financial Statement submitted by Mines & Mining, Inc.

As we do not have a copy of the statement in our files we are referring the letter to you for reply.

Robert A. Laurence

Robert A. Laurence

C
O
P
Y

Brevard, N. C.
10-15-55

RECEIVED
OCT 2 1 1955

Defense Minerals Exploration Administration
Room 12, P.O. Bldg. Knoxville, Tenn.

Attention, Director:

Dear Sir:

The writer, "guarantor" on guarantee of royalty payments, Exploration Contract by and between D. M. E. A. and Mines & Mining, Inc., P.O. Box 8184, Asheville, N. C. for exploration of Farley Gap Mica Mine, Pisgah National Forest, Transylvania County, N. C., would request that he be furnished a copy of Financial Statement submitted to you by Mines & Mining, Inc., as having been given them by me, together with copies of invoices showing number of pounds and prices paid for mica sold to the Government up to this date, October 15, (two months of operation under contract referred to)

The above for my records

Very truly yours,

W. S. McCrady

2 W. Jordan St.
Brevard, N. C.

COPY

Opr. Com.-2

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

RECEIVED
OCT 20 1955

October 18, 1955

Mr. W. S. McCardy
2. W. Jordan St.
Brevard, North Carolina

Dear Mr. McCrady:

Your letter of October 15, requesting information concerning Mines and Mining, Inc., was received today. We do not have a copy of the Financial Statement of Mines and Mining, Inc., and have therefore referred your letter to our Washington office for reply.

We do not have a record of any sales of mica to the Government by this company and they have paid no royalties on mica sold to the Government or elsewhere.

Very truly yours,

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

VJL/sm

cc:

Operating Com.
Lynch
Shirley
Files

INTERIM REPORT

RECEIVED
OCT 17 1955

DMEA-3265, Idn-P830 (mica) FARLOW GAP MINE

OPERATOR: Mines and Mining, Inc., P. O. Box 8184, Asheville, N. C.

LOCATION: 11.5 airline miles N14°W of Rosman, Transylvania County, N. C., in the Pisgah National Forest

Incline shaft sinking is underway on this contract and is now at 6 feet. All work has been in pegmatite, and the body has been exposed over a strike length of about 30 feet. The body is composed of feldspar, scattered quartz, and muscovite mica.

The operator was advised to complete necessary rehabilitation, complete the toolhouse - bunkhouse, and to build a cap magazine. The workers were advised to wear safety hats while sinking, and to scale the hanging wall area after shooting.

L. E. Shirley

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

K. H. Teague

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

October 6, 1955

INTERIM REPORT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE

OPERATOR: Mines andMining, Inc., P. O. Box 8184, Asheville, N. C.

LOCATION: 11.5 airline miles N14°W of Rosman, Transylvania County, North Carolina, in the Pisgah National Forest

Work was resumed on this contract September 21, 1955, but no progress had been made up to the time of this visit on the portal or inclined shaft. Equipment on the job consists of a 105 c.f.m. air compressor and hand tools. Terms of the work outlined in the contract were discussed with the new foreman on the job.

Mr. R. A. Laurence, Executive Officer of DMEA, Region V, accompanied the Field Examiners on this visit to the mine.

L. E. Shirley

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

K. H. Teague

K. H. Teague, Geologist
U. S. GeologicalSurvey

September 22, 1955

MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

9

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of July, 1955 Docket No. DMEA 3265 Contract No. Idm.-F830

RECEIVED AUG - 8 1955

Operator's Name Mines & Mining Inc. Minerals Mica

Address 2 W. Jordan St. Brevard, N.C.

Contract Amount, $ 5136.00 Government Participation: 75 % Amount, $ 3852.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing Road	$360.00	None	$360.00			
Crosscutting						
Drifting						
Cleaning out old hole	160.00	"	160.00			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase Powder Magazine	25.00	"	25.00			
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) ~~New Bldgs. Improvements, etc.~~ Tool Bunk House	128.00	"	128.00			
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$673.00		$673.00	673.00		673.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Aug. 1-55 *Payee Mines & Mining Inc.

Per Wm. S. McCady Title Agent

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—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.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 504.75

Signature Helen R. Miller
(Authorized Certifying Officer)

Date AUG 1 1955 Vou. No.

(See other side)

168.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E830 in accordance with the terms of the contract.

Signature Kelton H. Teague Title Geologist, U.S.G.S. Date 8/3/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date AUG 3 1955

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
AUG - 8 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of July 1955 Docket No. DMEA 3265 Contract No. Idm-E 830
Operator's Name Mines & Mining Inc. Minerals Mica
Address 2 W. Jordan St. - Brevard, N.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads ~~and Trails~~		$ 360.00	None	$ 360.00				$ 360.00
Cleaning out old Hole		160	"	160.00				160.00
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Powder Magazine Operating Equipment Purchased		25.00	"	25.00				$ 25.00
Initial Rehabilitation and Repairs								
~~New~~ Buildings, ~~Improvements, etc~~					153			
Tool Bunk House		128.00	"	128.00				128.00
TOTAL COSTS		$ 673.00		$ 673.00				$ 673.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Aug. 1. 55 Operator Mines & Mining Inc.
Per W. S. McCall Title Agent

REMARKS:

NOTE.—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.

(Instructions on reverse)

(For Government use only) Keyton H. Teague, Geologist

RECEIVED
AUG - 6 1964

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

RECEIVED

AUG - 8 1955

Narrative Work Progress [illegible] Pennsylvania, County, U.S.

D.M.E.A.No.3265
Idn-3 530

Month of July, 1955 Date Work Began, July 21, 1955

WORK ACCOMPLISHED:

July 2, Hauled Bulldozer from Drevard to Closter Gap
" 22 Walked Bulldozer from Closter Gap to Marlow Gap Five (6) miles-commenced Road to Line-Cut & removed many large trees from roadway
23 Bulldozed Road
25 " "
27 Cleaned out old hole and prepared site (graded) for Tool-Junk House
28 Excavated & hauled to Dump old waste bank which had been dumped in to old workings
29 Purchased & hauled to site prepared therefor Tool-Junk House, 2½ miles
30 Additional work cleaning out old hole
Number of men worked [illegible] (3) -

Signed: Wm S. McCrady
Contractor Form & Agent Mines & Mining, Inc

RECEIVED
AUG - 8 1955

INTERIM REPORT

DMEA-3265, Idm-E830 (mica) FARLOW GAP MINE

OPERATOR: Mines and Mining, Inc., P. O. Box 8184, Asheville, N.C.

LOCATION: 11.5 airline miles N14°W of Rosman, Transylvania County, North Carolina, in the Pisgah National Forest

The starting date on this contract is July 22, 1955. Some preliminary work has been accomplished, but actual mining has not begun. The repair of 1/4 mile of access road, and preparation of shaft site by bulldozer in the vicinity of an existing open cut, has been completed. A one-room shack was being moved to the site at the time of this visit. No equipment has been moved in to date, but the foreman indicated that mining would get underway during the coming week. Discussion was held with the foreman concerning contract provisions, and a shaft site was spotted. Another visit will be made in the near future.

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

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

July 28, 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 2050 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL - 5 1955

July 1, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA Field Team, Region V -Knoxville, Tenn.

Subject: Signed Contract - Idm-E830, DMEA-3265(mica) Mines & Mining, Inc. Farlow Gap Mine, Transylvania County, N. C.

Transmitted are three signed copies of the subject contract with Guaranty of Payment of Royalty signed and attached to each copy of the contract. Starting date of August 15, 1955 has been inserted.

The usual distribution of the other copies has been made.

Robert A. Laurence

Robert A. Laurence

Docket Copy
Surname:
Anderson
Houk
Talbert
Selfridge
Laurence

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

JUN 28 1955

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

Subject: Docket No. DMEA-3265 - Mica
Mines & Mining, Inc.
Parlow Gap Mine
Transylvania 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 and the Operator with register number and effective date as shown.

If the contract meets with your approval the copies are to be distributed in the usual manner. Please explain to the Operator that the contract is a firm commitment under the terms of which it is obligated to complete the work outlined at the agreed unit cost.

Copies of memoranda from D.M. Larrabee of the Geological Survey, dated July 2, 1954, and from W. F. Dietrick of the Bureau of Mines, dated July 13, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Copy to: Admr. R. File
Docket
Operating Committee
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

Enclosures 10

WCAnderson:gad 6/23/55

R.C.S.

MINES & MINING, INC.
BOX 8184
ASHEVILLE, N. C.

RECEIVED
JUN 16 1955

DEAN S. HASBROUCK
PRES. & TREAS.
~~FRED WILSON~~
~~VICE-PRES. & SUPERINTENDENT~~
ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

June 14, 1955

Re: Docket No. DMEA-3265 (Mica)
Farlow Gap Mine
Transylvania County
North Carolina

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

Dear Mr. Mittendorf:

Mr. Grant has finally been able to secure execution of the guaranty by an old friend of his. Enclosed are the six copies of the proposed exploration contract executed, and all copies of the guaranty have been executed by guarantor.

Also enclosed you will find minutes of the annual meeting of Mines & Mining, Inc., and you will note therefrom that Mr. Fred Wilson is no longer connected with the company, and we have secured other equipment for the operation.

A brief financial statement of the guarantor, Mr. McCrady, is also enclosed. If this should not be sufficiently detailed, please advise and we will have a more detailed statement prepared.

We are now ready to begin the exploration project as soon as you notify us to begin.

Yours very truly,

Dean S. Hasbrouck

Dean S. Hasbrouck
President and Treasurer

DSH:kh
Enclosures: Proposed Exploration Contract (6)
Minutes of Annual Meeting - Mines & Mining, Inc.
Financial Statement of Guarantor

EUROPEAN

E. I. BUGG, MANAGER

Hotel Malbourne

MODERN AND LUXURIOUS
200 ROOMS
100 ROOMS WITH PRIVATE BATH
ON THE GREAT U.S. #15 SCENIC HIGHWAY

RECEIVED
JUN 16 1955

Durham, N.C. _____ 19___

ABSOLUTELY FIRE PROOF
ASSOCIATE HOTEL
WILMINGTON, WILMINGTON, N. C.

Assets & Liabilities (and as to myself)

Assets:

June 4-55

Cash on hand — $105.77 105.77

Due $1553.00

Stock Ownership $24,000.00 Lexington Clay Mines

$25,658.77

Indebtedness: (Liabilities)

Two Notes 300.00
200.00

Various 71.00
49.00

$620.00

Native of Charleston, S.C.

Graduate of Virginia Polytechnic Inst.

Semi-retired.

67 years of age

45 " experience in Engineering, Surveying (2 yrs. Geological Survey) & construction, and mining -

Active - in good health -

Drawing Old age Insurance benefits -

Present Address: 2 W. Jordan St.

Signed:

Wm S. McCrady - Brevard, N. C.

RECEIVED
JUN 16 1955

MINUTES OF ANNUAL MEETING OF MINES AND MINING, INC.

Pursuant to notice sent by registered mail to Fred Wilson, one of the directors of this Corporation, and verbal notice to the other stock holders, the annual meeting of the stock holders of Mines & Mining, Inc. was held on the 27th day of December, 1954, at the time stated in said notice, in the offices of Harry Martin, attorney, Law Building, Asheville, North Carolina, at which the following proceedings were held:

Dean Hasbrouck, President, called the meeting to order and the floor was open for nominations of officers for the following year, and the following officers were thereupon elected by majority vote of the stock holders to serve until December 27, 1955, or until their successors were duly elected; Dean Hasbrouck, President, DeWitt Hasbrouck, Vice-President, Roger A. Grant, Secretary-Treasurer. Thereupon, the following directors were duly nominated and elected to serve for the same period: Dean Hasbrouck, DeWitt Hasbrouck, and Roger A. Grant.

A resolution was thereupon made and passed by majority vote of the stock holders that the President and Secretary-Treasurer be authorized to enter into the contract with the Defense Minerals Exploration Administration, dated December 16, 1954, a copy of the same being exhibited to this meeting.

There being no further business, the meeting was adjourned.

December 27, 1954.

Roger A. Grant Jr.
Secretary-Treasurer

I hereby certify that the foregoing is a true and complete copy of the minutes of the annual meeting of Mines & Mining, Inc., held December 27, 1954.

Roger A. Grant Jr.

Docket Copy
Surname:
Anderson
Houk
Johnson

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

MAY 24 1955

Mr. Roger Grant, Jr.
Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina

Dear Mr. Grant:

On December 16, 1954, we mailed you six copies of a proposed exploration contract with royalty guaranty attached. The contract was to be executed by you and all copies of the guaranty to be executed by your Guarantor. We requested return of all six copies.

We wrote you again on February 25, 1955, since we had no response from you up to that time. You replied on March 14, 1955, stating that you would return the copies of the signed contract along with a surety bond to guarantee royalties and that you would like very much to begin the work by May 1, 1955.

We wish to cooperate with you in the matter of allowing ample time but if the executed copies of the contract and the surety bond have not been received by June 27, 1955, we will assume you no longer are interested and will then withdraw the proposed contract and consider the matter closed. If you decide not to continue with the application please return all copies of the above mentioned documents.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 5/23/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.J.

Hold contract & Performance bond - Employers Group want release from bond 4/29/55 L.G.H.

Mr. [illegible] of Employers Gr[illegible] Ins. called Em 3-7903 and asked to be released from performance bond 3Y-224740 with Mines & Mining. Company policy against Executing bonds of this type. - The N.C. office exceeded their authority. Told him to make formal request for release thru. N.C. office. He

DE...
Defense Min...
REC...
MAR 1 6 1955

Box 8184
Asheville, North Carolina
March 14, 1955

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

Re: Docket No. DMEA-3265 - Mica

Attn: Mr. C. O. Mittendorf

Dear Sir:

We have not returned the copies of the contract as yet because due to very bad weather it has been impossible for us to do any work.

We shall, however, return the copies of the contract, signed, along with a surety bond to cover the guaranty and royalties. We would like very much to begin our work by May 1.

Very truly yours,

MINES & MINING, INC.

Roger Grant Jr.

Roger Grant, Jr.

RG/g

DOCKET COPY
Surname:
Anderson
Houk

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

FEB 25 1955

Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina

Gentlemen:

On December 16, 1954, we mailed you six copies of a proposed exploration contract to each of which was attached a Guaranty of Payment of Royalty, all copies of the contract to be executed by you and all copies of the Guaranty to be executed by your Guarantor. We requested return of all six executed copies.

We have not had a response from you since that date. In the interest of expediting the processing of your contract, it is requested that you either return the executed copies of the contract and Guaranty as soon as possible, or advise concerning your intentions in the matter. If you have lost interest and do not intend to pursue the project further, please return all copies of the unsigned contract and attach Guaranty of Payment of Royalty.

Sincerely yours,

C. O. Mittendorf
(257)
Administrator

WCAnderson:ad 2/24/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.L.B.

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

DEC 16 1954

Hoffman
Anderson
Houk
Chambers
Kilsgaard
Johnson
Selfridge
F. Johnson

Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMRA-3265 (Mica)
Farlow Gap Mine
Transylvania County
North Carolina

Gentlemen:

Reference is made to your telegram to Mr. L. G. Houk dated December 3 stating that you have secured a private third party who will enter into a guaranty and requesting that a form of guaranty be forwarded for your use.

Attached hereto are six copies of a proposed exploration project contract to each of which is attached a Guaranty of Payment of Royalty, all copies of the contract to be executed by you and all copies of the guaranty to be executed by your Guarantor. All six executed copies of the contract and guaranty must be returned to this office. The Guarantor must make a statement of his assets, liabilities, and net worth, which must be sent along with the executed contract and guaranty. If the contract and guaranty are approved by the Government, the contract will be executed by it here and one executed copy of contract and guaranty will be returned to you.

We would like to have a statement clarifying the present status of the applicant-corporation with respect to its relations with Mr. Fred Wilson and the ownership of the equipment which was referred to in your financial statement of May 5 and in the letter of Mr. Roger A. Grant, Jr., of July 29 to Mr. L. G. Houk. We have in our file letters from Mr. Fred Wilson dated June 19 and July 10 in which he states that he is the vice-president of the corporation, that he is dissolving the corporation, and that he personally owns the equipment referred to and that it will not be available for use under the exploration project contract. If your corporate affairs have been composed and you can carry out the proposed exploration work, and also furnish us with the guaranty referred to herein, I believe that the proposed exploration contract can be entered into.

It is regretted that this comparatively small operation has necessitated such voluminous correspondence. It is to eliminate as far as possible any further delays that I have caused to be drafted and presented to you herewith a proposed exploration project contract and accompanying guaranty.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosures 6

JLHofflund/emd DEC 13 1954

Copy to: DMEA Docket
Solicitor's Docket
Adm. R. File
Operating Committee
Mr. Dietrich, USBM
Mr. Kiilsgaard, USGS
L. G. Houk
Field Team, Reg. VII
J. L. Hofflund
chron.
pending

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

December ~~8~~ 13, 1954

Memorandum

To: DMEA Docket

From: Acting Assistant Solicitor, Defense Minerals

Subject: Mines & Mining, Inc., Docket No. DMEA-3265 (Mica)

The record on this application for a small operation has become so voluminous by correspondence that I set forth here the relevant matters that require inspection to understand what has taken place and what is to be done in the future.

1. Application dated February 6, 1954, by Mines & Mining, Inc., D. S. Hasbrouck, President, Fred Wilson, Vice-President, Roger A Grant, Jr., Secretary Treasurer. Presumably the applicant is a corporation, but it is nowhere so stated.

2. The applicant is a lessee, and the application is accompanied by an assignment of lease dated December 14, 1953, by Marvin Owens (signed Owen) of a BLM lease to the above-named officers as individuals, not to a corporation.

3. Letter dated March 24, 1954 (surnamed by Rubin and Hofflund), Houk to Hasbrouck, asking for:

(a) "State where incorporated."

(b) Copy of BLM lease to Marvin Owens.

(c) Copy of assignment to the corporate applicant.

4. Copy of Mineral Lease, BLM to Marvin Owen, dated August 1, 1952, with an original assignment attached dated March 10, 1954, transferring to Mines & Mining, Inc.

NOTE: This latter assignment appears to have been recorded, and although no disposition seems to have been made of the earlier assignment to the three individuals, I think we can accept it as a good assignment to the corporation.

5. Letter dated April 14, 1954 (surnamed Rubin and Hofflund), Houk to Hasbrouck:

(a) Requiring written approval of BLM to the assignment of the BLM lease, pursuant to the requirements of the lease.

(b) Repeating request for State of incorporation.

(c) Requiring financial statement of assets and liabilities.

6. Letter dated May 5, 1954, Hasbrouck to Houk:

(a) Referring to and including an unsigned financial statement dated May 5, 1954.

(b) Stating "Our corporation is incorporated in North Carolina."

NOTE: The financial statement is on a bank form and recitals preceding the signature lines are hardly suitable. I think the reference to it in the signed letter is sufficient for our purposes.

7. Letter dated May 14, 1954 (surnamed Rubin and Hofflund), Houk to Hasbrouck:

(a) Acknowledging receipt of the financial statement.

(b) Repeating requirement for approval by BLM of the assignment of the lease.

(c) Requiring "either a performance bond of a surety company or guaranty of a responsible third party acceptable to us."

8. Letter dated July 23, 1954 (surnamed Rubin and Hofflund), Houk to Mines & Mining, Inc.:

(a) Repeating the requirement of a bond or surety.

(b) Asking if the equipment referred to in the financial statement is to be used at the Farlow Gap mine, and for a description of it.

9. Two letters dated June 19 and July 13, 1954, but mailed as one under one cover, Fred Wilson to Field Team, stating among other things:

(a) That Wilson is dissolving the corporation.

(b) That he is dissatisfied with the other two officers and intends to part company from them.

(c) That they are incompetent and cannot carry out the project.

(d) That the equipment referred to in the financial statement always was and is his personal property and cannot be considered or used in the performance of the work.

10. Letter dated July 26, 1954, Field Team (Laurence) to Wilson, acknowledging receipt of the above.

11. Letter dated July 26, 1954, Laurence and Beck (of the Field Team) to the Operating Committee:

(a) Enclosing copies of Wilson's two letters.

(b) Stating: "Please note that Wilson says he is no longer with Mines and Mining, Inc."

NOTE: This is erroneous, Wilson does not so state.

(c) Pointing out that Wilson says that the equipment at Farlow Gap is his personal property.

(d) Advising delay in acting on the application until the affairs of the applicant are composed.

12. Letter dated July 29, 1954, Roger A. Grant, Jr., to Houk, stating:

(a) We will provide the BLM Consent.

(b) We will provide a bond or guaranty.

(c) Listing equipment at Farlow Gap which will be used.

(d) Stating "Mr. Fred Wilson is no longer with this company."

13. Letter dated August 12, 1954, Operating Committee to Laurence (Field Team), referring to above letter, stating: "You will note that the equipment listed in the financial statement of May 7, 1954, belongs to Mines & Mining, Inc."

NOTE: This ignores Wilson's statement that the equipment belongs to him personally.

14. Letter dated August 12, 1954, Houk to Mines & Mining, Inc., acknowledging receipt of the financial statement of May 5 and requiring a bond or guaranty.

NOTE: This acknowledgment and requirement had already been made in Houk's letter of May 14, and it is unfortunate that this letter of August 12, standing by itself, makes it appear that the matter had been neglected by DMEA for several months.

15. Photostatic copy of the assignment, Owens to Mines and Mining, Inc., referred to in No. 4 above, with what is probably the approval of BLM which had been previously required.

NOTE: This approval is undated and does not purport to be signed in behalf of the Government, but I think the record sufficiently establishes that it is in fact an approval by BLM for the Government.

16. Letter dated September 7, 1954, Congressman Shuford to Houk, and Mittendorf's reply dated September 10.

NOTE: These are of no significance except for the fact of the intervention of the Congressman.

17. Letter dated October 12, 1954, Houk to Mines and Mining, Inc., calling attention to the fact that the requirement for performance bond or guaranty had not been complied with.

18. Telegram dated December 3, Roger A. Grant, Jr., to Houk, stating that a personal guaranty would be provided and asking that a form be forwarded.

J. L. Hoffiund
Acting Assistant Solicitor

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

DEC 13 1954

Memorandum

To: The Administrator, DMEA

From: Acting Assistant Solicitor, Defense Minerals

Subject: Mines & Mining, Inc., DMEA-3265 (Mica)

Attached hereto is a memorandum for the file the necessity for which may be apparent; at least it was necessary for me in order to understand the status of this matter.

As the matter now stands, we have an application long pending from a corporate applicant among the officers of which there have arisen dissension and disputes. We are assured by one officer, Roger A. Grant, Jr., that another officer, Fred Wilson, "is no longer with this company," and we are assured by Mr. Wilson in an earlier letter that he is the vice-president of the corporation, that he is dissolving the corporation, and that he personally owns certain equipment that seems to have been referred to and relied upon in the company's financial statement and also for use on the exploration project. Under these circumstances, the question is whether we should enter into any contract with an entity the status of which is so uncertain.

Most of the delay has been caused by the applicant's failure to comply with specified requirements with respect to its interest in the land and a written bond or guaranty. It is unlikely, however, that the requirement of the bond or guaranty could be complied with by the applicant until the contract has been formulated and stated.

In view of all of the circumstances, it might be contended that we should not enter into a contract with this applicant without some further assurance and explanation of its present status, of its relations with Fred Wilson, and of its ability to procure any equipment which may be deemed necessary for the performance of the exploration. However, this is to be a unit cost contract, the Government will

contribute only as units of work are completed, and none of these things seem to be of much significance under all of the circumstances.

In view of the long delay in consummating the matter, I have drafted the proposed contract, which I suggest be sent to the applicant, unsigned by you, in the hopes that the applicant can satisfy the requirements for a personal bond. A form of bond for this purpose has been drafted here and is to be enclosed with the contract.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor,
Defense Minerals

JLHofflund:gjb

Copy to: DMEA Docket
Solicitor's Docket
J. L. Hofflund
L. G. Houk
Chron. File

Docket Copy
Surname:
Anderson
Houk

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

DEC - 3 1954

Mr. Roger A. Grant, Jr.
Mines and Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Mines and Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina

Dear Mr. Grant:

This will acknowledge receipt of your telegram of December 3, 1954, requesting third party guarantor forms.

These forms will be prepared and forwarded to you in the near future.

Sincerely yours,

cc

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

MCAnderson:gad 12/3/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

F (39)

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = Int'l Letter Telegram
VLT = Int'l Victory Ltr.

1954 DEC 3 AM 10 47

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WP006 PD=ASHEVILLE NCAR 3 1021 AME=

:LAWRENCE G HOUK=

:NON METALLIC MINERALS DIVN US DEPT INTERIOR DEFENSE MINERALS EXPLORATION ADM=

:REGARDING DMEA3265 LETTER 600 OCT 12, 1954. PRIVATE THIRD PARTY SECURED FORWARD REQUIRED FORM TODAY. AIR MAIL SPECIAL=

:ROGER A GRANT JR=INTERIOR DEPT.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC - 3 1954

DEC 3 - 1954
SOLICITOR

:DMEA3265 600 12 1954=

QUESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Docket Copy
Surname:
Anderson
Houk
Nittendorf

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

OCT 12 1954

Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Farlow Gap Mine
Transylvania County, North Carolina

Gentlemen:

On August 12, 1954, we wrote requesting a performance-surety bond. To date we have received no response to that letter.

If you wish to have your application given further consideration, it will be necessary to furnish the performance-surety bond in the amount of $3,750.00 as we requested.

In the interest of expediting your application it would be appreciated if you will promptly comply with our request.

Sincerely yours,

SIGNED
Lawrence G. Houk, Chief
Nonmetallic Minerals Division

WCAnderson:gad 10/11/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk

R.S.N.

DWEA-3265

MF-500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 12/3/54

REFERRED TO:

1. ~~Docket & Records Section~~
2. ~~Solicitor's Office~~
3. ~~Mr. Hoffland, Rm 7349~~
4.

FOR: INTERIOR DEPT.

DEC 3 - 1954

RECEIVED SOLICITOR

DEC 6 1954

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

REMARKS: Please prepare third party guarantee per request in attached corr.

Check (X) before the items needing attention.

DWEA - Nonmetallic Minerals Division
L. G. Hook, Chief.
Per wza -
Initials of sender.

GPO 16—63815-1

Docket Copy
Surname:
Houk
Hedges
Kiilsgaard
Selfridge
Yellman

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

SEP 10 1954

Hon. George A. Shuford
House of Representatives
Washington 25, D. C.

My dear Mr. Shuford:

Reference is made to your letter of September 7, 1954, requesting information on the status of the application for exploration assistance, DMEA-3265 - Mica, Mines & Mining, Inc., Parlow Gap Mine, Transylvania County, North Carolina.

On August 12, 1954, this office requested the company to furnish a performance-surety bond in the amount of $3,750.00 in lieu of an Owner's Consent to Lien. The performance-surety bond will assure the Government that the work under the contract will be performed and that the Government will be paid its royalty on any production during the life of the contract and for ten years from the date of the contract if a certification of discovery is made.

Upon receipt of the bond processing of the application may be completed.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 9/10/54
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5227
Mr. Houk
Mines & Mining, Inc.

R.S.J.

GEORGE A. SHUFORD
12TH DIST., NORTH CAROLINA

MEMBER:
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

SUBCOMMITTEES:
PUBLIC LANDS
INDIAN AFFAIRS
MINES AND MINING

Congress of the United States
House of Representatives
Washington, D. C.

Asheville, N. C.
September 7, 1954

SEP 1954

Mr. Lawrence G. Houk
Nonmetalic Minerals Division
Defense Minerals Exploration
Washington 25, D. C.

Re: Docket # DMEA 3265 Mica
Farlow Gap Mine Assignments

Dear Mr. Houk:

On July 30 I was advised by Mr. R. S. Butler, Mining Consultant of the House Interior & Insular Affairs Committee, that he had been informed that the loan on the above mining property for Mines and Mining, Incorporated, had been approved, but was being held up awaiting receipt of a copy of the assignment of the lease from the owner of the property and performance bond in the sum of $1,000.

I am informed that the assignment of lease was forwarded to you on August 8 by Registered mail and that the performance bond will be forwarded to you as soon as the contract is approved. This latter is in accordance with your letter to Mines and Mining, Incorporated, dated July 23, 1954.

These parties are anxious to start work on this property and I would appreciate it very much if you would advise me if there is anything further for Mines and Mining, Incorporated to do in order to procure this loan. Your early attention to this matter will be greatly appreciated.

With kind regards, I am

Sincerely yours,

Geo. A. Shuford

George A. Shuford, M. C.

GAS:vrl

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

August 18, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: DMEA-3265, Farlow Gap Mine - Mines & Mining Inc. Box 8184, Asheville, N. C.

Reference is made to your letter of August 12 on the subject application.

We have no information on the financial responsibilities of the applicants. As far as we know, both Grant and Hasbrouck have full time employment. Mr. Hasbrouck is in the real estate business and Mr. Grant works for his father who operates a bakery. Both applicants are about 35 years of age.

The applicants have had only limited mining experience. We understand that they plan to employ an experienced miner to run the proposed project, as has been done on other contracts.

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

Docket Copy
Surname:
Houk
Martin
Johnson

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

AUG 12 1954

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

Subject: Docket No. DMEA-3265 - Mica Mines & Mining, Inc.
Parlow Gap Mine
Transylvania County,
North Carolina

Dear Mr. Laurence:

You will find enclosed a copy of a letter we have received from Mr. Roger A. Grant, Jr., on the subject contract.

You will note that the equipment listed in the financial statement of May 7, 1954, belongs to Mines & Mining, Inc. They place a value of $9,750.00 which would give them a use allowance of $162.50 per month. We are preparing to write a contract in this office.

Your comments on the financial responsibilities of the applicants would be appreciated, together with a statement on their competence to conduct the operation.

Sincerely yours,

W. S. Martin

ACTING Chairman, Operating Committee (HB)

Approved:

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

Philip W. Guild
Member, Geological Survey (HB)

Enclosure

LGHouk:gad 8/10/54
Copy to: Admr. R. File
Mr. Houk
Operating Committee
Docket File
Mr. Dietrich, 3061
Mr. Newcomb, 5227

Docket Copy
Surname:
Houk
Martin
Johnson
Hellendorf

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

AUG 12 1954

Mines & Mining, Inc.
Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Farlow Gap Mine
Transylvania County, North Carolina

Gentlemen:

Reference is made to your letter of July 29, 1954, on the delays in processing your application.

The establishment of a sufficient interest in the land for purposes of a contract is a requirement which must be met by the applicant. We regret the delays in establishing your interest in the land. However, the approval of the assignment of the lease by the Bureau of Land Management is a necessary part of processing your application.

The financial statement of Mines & Mining, Inc., has been received. It will be necessary for your company to furnish a performance-surety bond in the amount of $3,750.00 or a guarantee by a responsible third party. This guarantee will assure the Government that the work under the contract will be performed and that the Government will be paid its royalty on any production during the life of the contract and for ten years from the date of the contract if a certification of discovery is made.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:gad 8/11/54
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Newcomb, 5227
Mr. Houk

MINES & MINING, INC.
BOX 8184
ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

FRED WILSON
VICE-PRES. & SUPERINTENDENT

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

Aug 8, 1954

Mr. Lawrence G. Houk
Nonmetalic Minerals Division
Defense Minerals Exploration
Washington 25, D. C.

RE; Docket No. DMEA 3265 Mica
Farlow Gap Mine Assignments

Dear Mr. Houk

Enclosed you will find the lessors consent to mine the Farlow Gap Mine. This assignment was filed in MR. Drexilius office April the 2nd it took him until august the 2nd to mail it----someday I am going to find out just exactly why that information had to lay on his desk for four months. If there is anything else you need please let us know.

Sincerely,

Roger A Grant Jr.

Secretary Treasure
Mines & Mining Inc.

NORTH CAROLINA
TRANSYLVANIA COUNTY

THE foregoing certificates of Kathryn P. Hunter, Notary Public, Buncombe County, North Caroling, and Henry Mitchell, Justice of Peaceof Polk County, Florida, all attested by their notarial seals, are adjudged to be correct. Therefore let the instrument, with the certificates, be registered.

Witness my hand and Official seal, this 27th day of March, 1954.

F. M. McCall
Clerk of The Superior Court,
Transylvania County, N. C.

NORTH CAROLINA
TRANSYLVANIA COUNTY

FILED for registration on the 22 day of March, 1954 at ____ O'clock, 1 M and registered and verified in the office of Register of Deeds for Transylvania County, N. C., in book # ____, page # 157 this 29 day of March, 1954.

Register of Deeds for Transylvania County, N. C.

STATE OF NORTH CAROLINA,

COUNTY OF TRANSYLVANIA.

I PAUL M. WHITMIRE, Register of Deeds in and for the aforesaid county and state do hereby certify the reverse and foregoing hereof to be true and exact copy of Agreement between Marvin Owen and Mines & Mining Inc., as recorded in this office on the 27th day of March 1954, in Book No. 109 of Page 459.

Witness my hand and official seal this the 15 day of April 1954.

Paul M. Whitmire
Register of Deeds
Transylvania County
Brevard, North Carolina.

C O P Y

MINES & MINING, INC.
BOX 8184
ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

FRED WILSON
VICE-PRES. & SUPERINTENDENT

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

Defense Minerals Administration
RECEIVED
AUG 2 - 1954

July 29, 1954

Mr. Lawrence G. Houk
Chief, Nonmetallic Minerals Division
Washington, D. C.

Re: Docket No. DMEA-3265
Mica
Farlow Gap Mine
Transylvania County,
North Carolina.
Letter # 140

Information Requested:
Lessor's Consent to assignment.

Dear Mr. Houk:

This whole matter of our endeavoring to get the Farlow Gap Mine into operation under the present program, is getting to the point of being absolutely ridiculous.

You know, we only started correspondence on this little matter in October of 1953 - - eleven months ago, and no action yet. Let's please get some action this time. That information that you have been looking for, lo, these many months, has been "laying over" in a Mr. Drexilius' office since the latter part of April. Your office has been informed of this before - - Mr. Drexilius was written to by us, requesting him to send that information to you; he did not even extend us the courtesy of answering our correspondence. (Mr. Drexilius is in the Bureau of Land Management). Finally, in exasperation, we got Mr. Butler, Mining Consultant House Interior and Insular. Affairs Committee, on the phone and he was kind enough to look into the matter for us and I quote to you his report to the Honorable George Shuford. I quote, "Mr. R. S. Butler informs me that Mr. Drexilius of the Bureau of Land Management stated that contract BLM-3265, issued August 1, 1951 to Marvin Owens has been satisfactorily assigned to Mines & Mining, Inc." He states further "that the bond submitted by you is acceptable and that acknowledgement will be made to you within the next few days." (We ain't heard from this 'til yet!).

letter dated May 26, 1954.

Now then, if all of this is true and he isn't using covered wagons or the Pony Express or the current Western Union's methods for conveying messages, I personally think somebody should slip over and jack Mr. Drexilius up a notch or two. You know, Washington handled the paper work to get me all the way from Moultrie, Georgia to Port Moresby, New Guinea in a Hell-of-a-lot less time than he's taking to get the information under discussion to you.

As to the other information requested, we will furnish either a Bond of a surety company or a private third party; if you want this before you approve our operation we'll send it immediately. (All we want to do is mine the Mica that the Government so strategically needs.)

As to the second request, if the equipment is not completely outdated or immobile because of lack of use, we will be able to use the following equipment at Farlow Gap:

One R-105 Compressor, J-50 Jack-Hammer, J. L. Jackleg, Single Drum Hoist, Cable, Water Hose Pump, etc., and any other equipment required to run this operation.

The only other information we have to add is that Mr. Fred Wilson is no longer with this Company.

Very truly yours,

Roger A. Grant, Jr.

Roger A. Grant, Jr.

RAG/nbe

DMEA-3357

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D. C.~~ ROOM POST OFFICE BLDG.
KNOXVILLE 2, TENN.

July 26, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Mines and Mining, Inc., Asheville, N. C.
DMEA-3265, Farlow Gap Mine (mica)
DMEA-3357, Houston Mine (mica)

Enclosed herewith are copies of letters from Fred Wilson, dated June 19 and July 10, 1954, both of which were received in the same registered envelope this morning.

Please note that Wilson says he is no longer connected with Mines and Mining, Inc., and that the equipment at Farlow Gap is his personal property. It would appear advisable to delay any action on the Farlow Gap contract until a satisfactory accounting of this situation is received.

As to Wilson's complaint about not being present at the examination, we notified Mines and Mining, Inc., at the address given on the application, and went with the representatives they sent. We do not consider it our responsibility to select the applicant's field reprentatives on these examinations.

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

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

July 26, 1954

Mr. Fred Wilson
45 King Street
Asheville, North Carolina

Re: DMEA-3357 (mica)
DMEA-3265 (mica)
Mines and Mining, Inc.

Dear Mr. Wilson:

Your letters of June 19 and July 10, via registered mail, were received this morning. The extra copies were forwarded to our Washington office today.

I regret that you were not notified when the field examinations were made. However, we notified Mines and Mining, Inc., at the address given on the application, when the examination were scheduled, and the examinations were conducted with the representatives designated by the company. We do not consider it our responsibility to select the applicant's representative on a field examination.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region VII

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

45 King St.,
Asheville, N.C.,
June 19th 1954

Mr. Robert A. Lawrence,
Defense Minerals Administration,
Knoxville, Tenn.,

Dear Mr. Lawrence:

There are manny things I should tell you under Mines and Mining Inc., I think you should know, the parties I am in with are ametuers, they themselves say they do not know anything about mining, Hasbrouck, President, Rogers Grant, Sectary & Treasurer, I Vice President, and Superintendent, as conditions are they have complete controll and keep everything secrete from me, my superintending have been ignored all the way,

I figured out the Farlow Gap Mica Mine, the applications cost of doing the work, and my own personal equiptment was figured for the job, under these circumstances I should of been present at the inspection, so much secrecy seemingly was used to prevent me from being there, I have just learned that one of the inspectors stated that in a job prior to this an argument at the "A" Mine between an inspector and myself, I dont recall it

My conclusings is that Hasbrouck and Grant intend to freeze me out of the Inc., a party overherd them say so, I prefer myself that Mines & Mining Inc be dissolved and no money granted by the Defense Minerals Administration, for the Farlow Gap Mica mine or the Houston Mica Mine on the Rocky Face Mt., I found these mines and give them their interest, I put in the application for the money for the Houston mine on the Rocky Face Mt., with the maps and I want that inspection stopped.

As conditions are I prefer not to be a party with them any longer they know nothing about mining and take no advice from me, all monies from the sales of mica are in their hands and they pay no royalty we lost two good Ruby Mica mines in S. C., on account no royalty was paid one signs a check and the otherone counter signs it, they pay themselves expense checks instead of paying bills and I hate to know what condition they will get a Defense Project in, I am herein telling Defense Minerals Administration that I want no responsibility concerning money loaned to Mines & Mining, Inc., you may send copies of this letter to the Defense Minerals Adminstration, in Washington.

I hope you will understand how I feel concerning the management of Mines & Mining, Inc., I am going to continue mining mica, Beryl, and Non-ferrious minerals, but under different management and reliable parties.

Yours sincerely,
Fred Wilson

RECEIVED
JUL 26 1954
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

RECEIVED
JUL 26 1954
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

54 King St.,
Asheville, N. C.,
July 10th 1954.

Mr. Robert A. Lawrence,
Defense Minerals Adminstration,
Knoxville, Tenn.,

Dear Mr. Lawrence:

It have been some time since I written you the encolsed letter, but I see now I should of sent it when first written, the inspection on the Houston mine have been done without my knowledge, and as I made all Maps, mining expenses etc., I should of been present but they have such a undermining way of conducting our mining operations they dont want me pre present at any inspections, if they knew anything it would be different.

I am now having this Mining & Mining, Inc dissolved I put them in a good mine the Cely Mine in Anderson County S, C., and in our prospecting of the mine they sold $500.00 worth of Mica I produced the Mica, I only drew $20~~0.00~~ for my share they kept the balance for their expenses. they owe the Lessors $51.00 for Royalty which have been over due for two months, so the lease have been Null and Voided, this leaves me in a bad standing, besides the mine was a #1 Ruby mine and the vein was from 12 to 50 feet wide, in quartzs and blue spar, if I had of had any selling of the Mica and of paying of the Royalty the mine would of been in good standing, also a bill owing to Hester, New Bumcombe Road Greenvill for $375.00 a gas bill for 450 gallons of gas they run out in their cars going back and forth to asheville everday I only burnt a total of appx., 75 gallond of that gas drilling, Anny and every mine I obtained leases on I produced enough of Mica to pay for the Prospecting and opening up of such mines, Take the Rocky Face Knob Mines the Houston Mine they sold $165.00 worth of Mica. and dident pay the royalty on that Mica that lease s is in shape for null and Voiding, My standing in Mining is being jeopardized by them on every mine I obtain leases on , therefore this have stopped, and I am showing them nothig more, and no more mines will be worked under mining and Mining, Inc.,

The main intentions of this letter rider to the former letter is to notify the Defense Minerals Adminstration that no machinery and equiptment as listed in the Farlow Gap Mica Mine will be used, as such machinery and equiptment is the personal property of me, and it is not any accets of Mines & Mining Inc., They own nothing, we bought several pieces of equiptment including everythin that I listed to be use in the Houston Mica Mine, all of that equiptment have been returned, or Roger Grant tele me another lie, they returned the compressor, we had at the Cely mine, when I was making a sale of Mica every week, send this letter along with copies of the former letter to ~~Washington~~

Yours sincerely,
Fred Wilson

[redacted]
File Copy
Surname

140

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

Rewritten

Houk
Rubin
Hofflund
~~[illegible]~~
Hechendorf

JUL 28 1954

Mines & Mining, Inc.
Post Office Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Farlow Gap Mine
Transylvania County, N. C.

Attention: Mr. Dean S. Hasbrouck

Gentlemen:

Reference is made to your letter of May 23, 1954, stating that you have arranged a $1,000 bond for performance of the conditions in your lease agreement with the Bureau of Land Management, and asking if it will be necessary to obtain an additional bond for the Defense Minerals Exploration Administration.

Since the contractual undertakings under a DMEA contract are an entirely separate matter from your undertakings under the lease agreement with the BLM, it will be necessary, should a contract be approved for the subject project, that you obtain a performance bond in connection with the contract. When you forward the lessor's consent to assignment, please indicate whether you will furnish a bond of a surety company or a private third party acceptable to us.

The company financial statement of May 5, 1954, lists mining equipment assets in the amount of $9,750. Is this mining equipment to be used at the Farlow Gap mine? If convenient, please indicate the size and capacity of each piece of equipment.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:HCR:ep 7-12-54

Copy to: Solicitor's Docket
DMEA Docket
Admin. Reading File
Field Team, Reg. VII (2)
Mr. Dietrich, B/M (3061)
Mr. Larrabee, USGS (5216)
Mr. Houk (2)
Mr. Hofflund
Mr. Rubin
Chron.
Pending

R.C.L.

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

July 13, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3265 (mica)

Applicant: Mines & Mining, Inc.

Name and Location of Property: Farlow Gap Mine
Transylvania County, North Carolina

Date of Field Team Report: June 24, 1954

Date Rec'd. by Ceramic and Fertilizer Materials Br.: July 6, 1954

Field Team Recommendation:

1. Approval of an exploration project on a unit-cost basis.

Comments:

1. Strategic mica occurs in the pegmatite on this property.

2. The field team examiners are of the opinion that an exploration project should consist of (1) road repair and shaft-site preparation, (2) construction of a tool house and bunk house, (3) construction of an incline portal, (4) sinking 50 feet and (5) drifting 75 feet. The proposed exploration is consistent with good engineering practice. The examiners extimate the cost will be $5,512.50. The Field Team believes the estimate should be incerased to $5,622.50.

Recommendation:

I concur in the field team's recommendation for an exploration project on subject mine on a unit-cost basis in an amount not to exceed $5,622.50.

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.

July 2, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3265 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Mines and Mining Company, Asheville, N. C.
Name of property: Farlow Gap Mine.
Location of property: Transylvania County, N. C.
Date of Field Team Report: June 22, 1954.
Authorship of Field Team Report: K. H. Teague and D. H. Amos.
Field Team's recommendation:

1. Road repair.
2. Minor construction.
3. Clean up cut.
4. Sink 50' incline on peg.
5. Drift 75'

$5,512.50

Comments: Sounds like a good bet!
ACTION RECOMMENDED:
Follow Field Team's recommendation.

D. M. Larrabee

D. M. Larrabee

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

June 24, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA- Region VII

Subject: Field Examination Report, DMEA-3265 (mica) Farlow Gap Mine
Transylvania County, N. C. Mines & Mining Inc.
Asheville, N. C., Applicant

Enclosed are four copies of the subject examination report, and six extra copies of the map.

We agree with the examiners' opinion that exploration of this deposit is worthwhile, and recommend approval of a contract, on a unit-cost basis.

During the field examination, Mr. Teague and the applicants discussed Mr. Fred Wilson's connection with the proposed project. The applicants agreed that if Mr. Wilson proved to be unsatisfactory, he would be replaced as foreman, but it was agreed that Wilson could start the job, if a contract is approved.

The examiners' estimate includes a foreman-driller at $1.25 per hour, but we believe $1.50 would be a more realistic figure. This would increase the total cost of the job by only $110.00 and would raise the unit costs slightly.

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

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

Reviewed by
DMEA OPERATING COMMITTEE
7-2-54
(date)

On-Site Exam

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3265, FARLOW GAP MINE
(mica)
Transylvania County, N. C.

BY

Kefton H. Teague, Geologist
U. S. Geological Survey
and
Dewey H. Amos, Geologist
U. S. Geological Survey

June 22, 1954

Reviewed by
DMEA OPERATING COMMITTEE
7-2-54
(date)

FIELD TEAM EXAMINATION REPORT
On
DMEA-3265, FARLOW GAP MINE (mica)

Applicant: Mines and Mining Inc., P.O. Box 8184, Asheville, N. C.

Considerable strategic mica is present in the pegmatite on this property. As the possibility of discovery of a significant deposit is promising, the Field Examiners recommend that exploration assistance be granted, but the method of exploration be different than that proposed by the applicant.

The Farlow Gap Mine is 11.5 airline miles N. 14° W. of Rosman, Transylvania County, North Carolina in thePisgah National Forest. It is on the north side of an unnamed branch of the northern fork of Davidson river at an altitude of 4200 feet.

The property was examined on June 15, 1954. Messrs. D. S. Hasbrouck and Roger A. Grant, Jr., accompanied the examiners on the inspection which required two and one-half hours.

Access is via about 6 miles of Forest Service road to Farlow Gap and 1/4 mile of poor jeep road from the Gap to the mine. The latter is in need of minor repairs. No surface facilities are present on the property. Present work consists of an open cut 100' x 10' of variable depth; the deepest portion being about 10 feet deep with an estimated additional 6 feet of muck.

The area covered by the applicant's lease is adequate for the proposed exploration.

A description of the property in an unpublished U.S.G.S. manuscript by E. William Heinrick is as follows:

" A pegmatite body, striking N. 25° E. and dipping 35° to 50° N.W., has been intruded conformably into fine-grained biotite gneiss. The mass averages seven feet in thickness and has been exposed for a length of 100 feet along the strike and to a maximum depth of nine feet. A prospect pit, containing sheet mica and believed to be on the same pegmatite is reported to be 250 yards northeast of the main pit.

The pegmatite body is indistinctly zoned, with a core of large blocks of microcline and masses of quartz. Scattered through this core are large books of muscovite, and flanking the zore are zones of pegmatite containing much coarsely crystalline muscovite and plagioclase, microcline and quartz. The plagioclase, which is albite, is associated with the muscovite, and veinlets of it cut across ~~micaline~~ microcline crystals.

"Mica appears to be unusually abundant in the Farlow Gap pegmatite. It occurs in the lateral zones and as scattered block in the core. The mica occurs in books up to 18 inches in diameter. It is olive green in color, but some sheets show irregular bands and patches of reddish brown. A few of the books are light reddish brown in color and exhibit a "Scotch plaid" or crosshatch type of color banding. Most of the books are marked by "A" structure, a few are gently warped, and perhaps 20 to 25 percent contain scattered black mineral inclusions. Reeves and fishtail structure were noted, but are not common.

The Farlow Gap pegmatite body is a very promising potential source of moderate to relatively large amounts of strategic mica. The following encouraging features are to be noted:

1. The pegmatite appears to be persistent, both along the strike and to depth.
2. The quantity of mica is large.
3. Both the size and the quality of the mica are above the average for the Franklin-Sylva district."

A brief description is also given in Bulletin 64 of the North Carolina Dept. of Conservation and Development, "Pegmatites of the Cashiers and Zirconia Districts, North Carolina" by Jerry C. Olson.

Most of the past work was done in 1944-45 by a Mr. Marvin Owen. Records of Colonial Mica Corporation show that 307.99 pounds of strategic mica was sold during this period for $1,847.94. It averaged 24 percent No. 1.

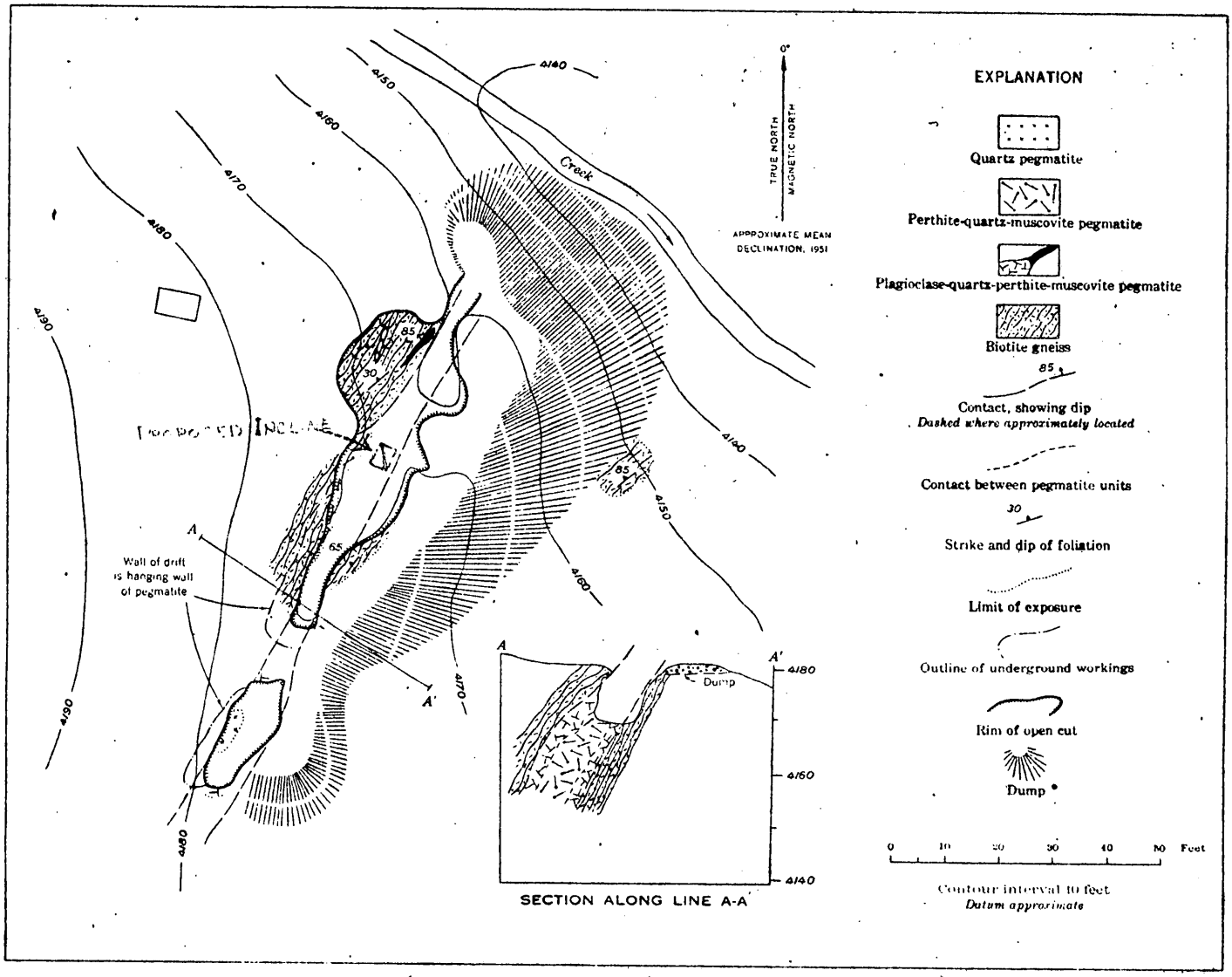
It is recommended that the applicant's proposal of exploration be changed to a more practical approach to which the applicants are in agreement. The field examiners suggest that the exploration program consist of - (1) road repair and shaft site preparation, (2) construction of combination tool - bunkhouse and two magazines, (3) removal of about 6 feet of muck from the bottom of the cut and construction of an incline portal, (4) sinking 50 feet of new incline on pegmatite, and (5) driving 75 feet of drift from the bottom of this incline. All incline and drift work will be in unweathered material and no water problem is anticipated.

Estimated Costs of the proposed program are:

Powder Magazine		$50.00
Exploder Magazine		25.00
Toolhouse-bunkhouse (12' x 20')		
Lumber - 2000 B.F. @ $80/M	$160.00	
Labor (24 hours)		
1 carpenter @ $1.75/hr	42.00	
1 helper @ $1.00/hr	24.00	
Nails, roofing & Hardware	24.00	250.00

Repair 1/4 mile access road and prepare shaft site - 30 hrs @ $12/hr. (d-7 dozer)		$360.00
Clean muck out of open pit and construction of portal for incline:		
Labor (5 shifts)		
1 foreman @ $1.25/hr	$50.00	
2 laborers @ $1.00/hr.	80.00	
Hoist rental @ $50/Mo.	12.50	
Gas and Oil	10.00	
Nails and hand tools	7.50	160.00
Sink 50 ft. of 5' x 7' incline w/partioned manway.		
Labor (25 shifts)		
1 Driller-foreman @ $1.25/hr.	250.00	
1 Hoistman @ $1.25/hr	250.00	
2 Laborers @ $1. 00/hr.	400.00	
Timber 1000 B.F. @ $70/M	70.00	
Equipment:		
Compressor, pump and hammer rental @ $240/Mo.	use - 203.10 300.00	
Hoist rental @ $50/Mo.	62.50	
Material and Supplies :		
Explosives	225.00	
Gas & Oil	175.00	
Drill steel	150.00	
Smalltools and supplies	50.00	
Miscellaneous, Insurance, Soc. Security, etc	200.00	
Contingencies	50.00	$2,182.50 - 2023.10 / 40.46
Drive 75 feet of 5' x 7' drift (30 shifts)		
Labor:		
1 Driller foreman @ $1.25/hr.	300.00	
1 Hoistman @ $1.25/hr.	300.00	
2 Laborers @ $1.00/hr.	480.00	
Equipment:		
Compressor, pump, hammer rental @ $240/Mo.	360.00 use 243.75	
Hoist rental @ $50/Mo.	75.00	
Material & Supplies:		
Explosives	250.00	
Gas & Oil	250.00	
Drill steel	150.00	
Miscellaneous, insurance & Soc. Sec. repairs,	250.00	
Contingencies	70.00	$2,485.00 - 2293.75 / 30.38
		$5,512.50

Teague & Amos, Geologists.



Mapped by J. C. Olson and E. Wm. Heinrich, June 15, 1944

FARLOW GAP MINE

DMEA- 3265 (mica)

File Copy
Surname:
Houk
~~Hodges~~
~~Farrar~~
~~R. Johnson~~

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

MAY 27 1954

Mines & Mining, Inc.
P. O. Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Farlow Gap Mine
Transylvania County, North Carolina

Gentlemen:

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. Lawrence, Executive Officer, DMEA Field Team, Region VII, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance that you may give the members of the field team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 3/11/54

Copy to: Admr. R. File
Docket File
Operating Committee
Field Team, Region VII
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.H.

FILE COPY
Surname:

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

MAY 27 1954

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

Subject: Docket No. DMEA-3265
Mica
Mines & Mining, Inc.
Parlow Gap Mine
Transylvania County,
North Carolina

Dear Mr. Laurence:

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

Copies of memoranda from the Geological Survey, dated February 26, 1954, and from the Bureau of Mines, dated March 9, 1954, are enclosed for your information.

Sincerely yours,

SIGNED
Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

Enclosures 4

LGHouk:gad 5/25/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.L.

MINES & MINING, INC.

BOX 8184
ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

FRED WILSON
VICE-PRES. & SUPERINTENDENT

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

United States Department of Interior
Received
MAY 25 1954

May 23, 1954

Re; Docket No. DMEA -3265 -
Mica, Farlow Gap Mine,
Transylvania County, N. C.

Mr. Lawrence G. Houk
United States Department Of The Interior
Washington 25, D. C.

Dear Mr. Houk:

In reply to your letter of May 14, I would like to advise that we have already arranged bond once for the Bureau of Land Management in regard to this mine in the amount of $1,000.00. If it will be neccessary to duplicate this bond for your office also, please notify us as to the amount in which you require it.

In regard to the lessor's consent to the assignment of the lease, we still have received no word from the Bureau Of Land Management, and will endeavor to elicit some sort of response in the near future. As soon as we are able to obtain it, provided the mica buying program is not complete, we will forward same at once.

Sincerely,

Dean S. Hasbrouck

Dean S. Hasbrouck

140

FILE COPY
SURNAME:

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

Rewritten: Houk, Rubin, Hofflund, Mathews

MAY 14 1954

Mr. Dean S. Hasbrouck
President and Treasurer
Mines & Mining, Inc.
Post Office Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Parlow Gap Mine
Transylvania County, North Carolina

Dear Mr. Hasbrouck:

Reference is made to your letter of May 5, 1954, in which was enclosed a financial statement of Mines & Mining, Inc. Your letter stated that the lessor's consent to the assignment of the lease will be forwarded at a later date, and expressed disappointment that your application had not been finally considered.

In our letter to you dated April 14 it was stated that your company's application would be considered further when we are in possession of the information requested. We still do not have all the information we asked for in that letter, i.e., we do not have the lessor's consent to assignment of the lease. You can well appreciate the fact that we cannot conclude consideration of an application when we do not have all pertinent information before us.

We have examined your company's financial statement and have concluded that, if a project is approved for the subject application, we shall require either a performance bond of a surety company or guaranty of a responsible third party acceptable to us, in addition to the contractual undertaking of your company.

When you forward the lessor's consent to assignment, please indicate also whether you will furnish a surety bond or an acceptable third party guaranty in lieu of the Owner's Consent to Lien.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:HCR:ep 5-13-54

Copy to: Docket
Admin. Reading File
Field Team, Region VII (2)
Mr. W. F. Dietrich, B/M (3061)
Mr. D. M. Larrabee, USGS (G232,GSA)
Mr. Houk
Mr. Hofflund
Mr. Rubin
Chron.
Pending

R.C.G.

MINES & MINING, INC.

BOX 8184

ASHEVILLE, N. C.

DEAN S. HASBROUCK
PRES. & TREAS.

FRED WILSON
VICE-PRES. & SUPERINTENDENT

ROGER A. GRANT, JR.
VICE-PRES. & SECRETARY

DEPARTMENT OF
Defense Minerals
RECEIVED
MAY 7 - 1954

Re: Docket No. DMEA-3265-Mica
Farlow Gap Mine
Transylvania County, North
Carolina.

May 5, 1954

Mr. Lawrence G. Houk
United States Department of The Interior
Washington 25,
D. C.

Dear Mr. Houk:

In reply to your letter of April 14, a financial statement is enclosed on seperate sheet.

Our corporation is incorporated in North Carolina.

The lessor's written consent to the assignment will have to be forwarded at a later date, since we have not yet received it from Mr. Drexilius' office. I am writing today to enquire how much longer may required for this to come through. We submitted the final documents requested about a month ago, and expected to hear before this.

Sincerely,

Dean S. Hasbrouck

Dean S. Hasbrouck

FORM NO. 7

Defense Mins
MAY 8 - 1954

FORM DESIGNED AND APPROVED BY THE BANK MANAGEMENT COMMISSION AMERICAN BANKERS ASSOCIATION

FINANCIAL STATEMENT FOR SMALL LOANS

NAME Mines & Mining Inc May 5 1954

BUSINESS OR OCCUPATION Mining ADDRESS Box 8184

WIFE'S NAME _____ (FIRST NAME IN FULL)

TO _____ (NAME OF BANK)

FOR THE PURPOSE OF OBTAINING ADVANCES FROM TIME TO TIME ON BILLS, NOTES AND OTHER COMMERCIAL PAPER SIGNED OR INDORSED BY THE UNDERSIGNED, AND OF OBTAINING CREDIT GENERALLY, THE UNDERSIGNED MAKES THE FOLLOWING STATEMENT OF _____ FINANCIAL CONDITION AS OF THE CLOSE OF BUSINESS ON THE _____ DAY OF _____ 19__, AND CERTIFIES TO THE ABOVE NAMED BANK THAT THE INFORMATION HEREINAFTER SET FORTH IS IN ALL RESPECTS TRUE, ACCURATE AND COMPLETE AND CORRECTLY REFLECTS THE FINANCIAL CONDITION OF THE UNDERSIGNED ON THE DATE AFOREMENTIONED.

(FILL ALL BLANKS, WRITING "NO" OR "NONE" WHERE NECESSARY TO COMPLETE INFORMATION.)

ASSETS				LIABILITIES			
CASH, ON HAND AND IN BANKS $		245	00	NOTES PAYABLE TO BANKS (DETAIL IN SCHEDULE) $			
NOTES AND ACCOUNTS DUE ME (COLLECTIBLE)				~~NOTES~~ AND ACCOUNTS DUE OTHERS (DETAIL IN SCHEDULE)	1	048	00
MERCHANDISE AND FARM PRODUCTS				TAXES DUE			
LISTED STOCKS AND BONDS (DETAIL IN SCHEDULE)				RENT DUE			
Mining Equip. Compressors, Hammers				~~CHATTEL MORTGAGES~~ Unpaid			
Hoists, Motors, Pumps, Pipes Steel etc.	9	750	00	Bal on Various			
QUICK ASSETS $				Equip	5	532	00
REAL ESTATE (DETAIL IN SCHEDULE)							
MACHINERY AND FIXTURES (USED IN BUSINESS)				REAL ESTATE MORTGAGES (DETAIL IN SCHEDULE)			
UNLISTED STOCKS AND BONDS (DETAIL IN SCHEDULE)							
~~LIVE STOCK~~ Misc Inventory-Sheet Shop		760	00				
AUTOMOBILE							
truck	1	400	00	TOTAL LIABILITIES $	6	580	00
				NET WORTH	5	575	00
TOTAL $	12	155	00	TOTAL $	12	155	00

I CARRY $_____ LIFE INSURANCE IN THE _____, COMPANY PAYABLE TO _____, THE PRESENT CASH VALUE OF WHICH IS $_____ AND ON WHICH I HAVE BORROWED $_____

MY TOTAL CONTINGENT LIABILITY AS ENDORSER, SURETY BONDSMAN AND OTHERWISE DOES NOT EXCEED $_____

THE MAKE OF MY AUTOMOBILE IS _____ AND THE YEAR OF MANUFACTURE _____

MY INCOME FOR YEAR ENDING _____ 19____ WAS:

EARNED (SALARY, COMMISSIONS, FEES, ETC.) $				
INTEREST AND DIVIDENDS RECEIVED				
RENTS RECEIVED				
OTHER INCOME, FROM				
GROSS INCOME $				
DEDUCT: TAXES PAID DURING YEAR $				
INTEREST PAID				
REPAIRS TO BUILDINGS				
OTHER BUSINESS EXPENSES				
NET INCOME $				

TO BE FILLED OUT ONLY BY BORROWERS EMPLOYED BY OTHERS

I WORK FOR _____

AS _____

HAVE BEEN THERE FOR _____ YEARS.

MY PREVIOUS JOB WAS WITH _____

AS _____

I HELD THAT FOR _____ YEARS.

(BE SURE ALL SCHEDULES ON OTHER SIDE ARE FILLED OUT)

COPYRIGHT, 1939, AMERICAN BANKERS ASSOCIATION

SCHEDULES

BE SURE TO INCLUDE EVERY ITEM UNDER EACH SCHEDULE

REAL ESTATE

TITLE TO ALL REAL ESTATE LISTED IS IN MY NAME SOLELY AND UNENCUMBERED, EXCEPT AS SHOWN HEREON.

LOCATION AND SIZE (INCLUDING DESCRIPTION OF LAND AND TYPE OF BUILDING)	TITLE HELD IN NAME OF	DATE ACQUIRED	PURCHASE PRICE	ASSESSED VALUATION	AMOUNT OF MORTGAGES	WHEN DUE
			$	$	$	

STOCKS AND BONDS

ALL SECURITIES LISTED ARE MINE SOLELY, AND ARE IN MY POSSESSION EXCEPT AS SHOWN HEREON.

NAME OF ISSUING CORPORATION AND TYPE OF SECURITY	NO. OF SHARES (IF STOCK) FACE VALUE (IF BOND)	ANNUAL INTEREST OR DIVIDEND	MARKET VALUE	REGISTERED IN NAME OF
			$	

DEBTS

TO BANKS (itemize)

NAME OF BANK	COLLATERAL	WHEN DUE	AMOUNT
			$
		TOTAL DUE TO BANKS	$

TO OTHERS (itemize every debt over $100)

NAME OF CREDITOR	ORIGIN OF DEBT	WHEN DUE	AMOUNT
			$
		TOTAL DUE TO OTHERS	$
		ALL MY OTHER DEBTS, NOT SHOWN ABOVE, DO NOT EXCEED	
		TOTAL NOTES AND ACCOUNTS DUE TO BANKS AND TO OTHERS	$

IN SUBMITTING THE FOREGOING STATEMENT THE UNDERSIGNED GUARANTEES ITS ACCURACY WITH THE INTENT THAT IT BE RELIED UPON BY THE AFORESAID BANK IN EXTENDING CREDIT TO THE UNDERSIGNED AND WARRANTS THAT_____ HAS NOT KNOWINGLY WITHHELD ANY INFORMATION THAT MIGHT AFFECT_____ CREDIT RISK; AND THE UNDERSIGNED EXPRESSLY AGREES TO NOTIFY IMMEDIATELY SAID BANK IN WRITING OF ANY MATERIAL CHANGE IN_____ FINANCIAL CONDITION WHETHER APPLICATION FOR FURTHER CREDIT IS MADE OR NOT AND IN THE ABSENCE OF SUCH WRITTEN NOTICE IT IS EXPRESSLY AGREED THAT SAID BANK IN GRANTING NEW OR CONTINUING CREDIT MAY RELY ON THIS STATEMENT AS HAVING THE SAME FORCE AND EFFECT AS IF DELIVERED UPON THE DATE ADDITIONAL CREDIT IS REQUESTED OR EXISTING CREDIT EXTENDED OR CONTINUED.

SIGNED AT_____

THIS_____ DAY OF_____ 19_____ SIGNATURE_____

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

Defense Minerals Ad.
RECEIVED
MAY 3 - 1954

April 28, 1954

Memorandum

To: Operating Committee, D M E A - Washington

From: Office of Executive Officer, DMEA - Region VII

Subject: Status of Fred Wilson's Debts. DMEA-3265 (mica) Mines & Mining, Inc. Farlow Gap Mine - Transylvania County, N. C.

A partial check was recently made on the status of unpaid bills incurred at the "A" Mica Mine, DMEA-2533 by Mr. Fred Wilson as requested in your letter of April 14, 1954. As of April 19, 1954, there was still an unpaid balance for compressor rental due Mr. Jim Berry. The Rock Bit Company, Asheville, N. C. had not been paid for two drill steels ($43.76) as of April 20, 1954.

D. H. Amos

D. H. Amos, for R. A. Laurence

File Copy
Surname:
Houk
Ruting
Holdsworth
Selfridge
Jenkins

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

600

APR 14 1954

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

Subject: Docket No. DMEA-3265 ~~Mica~~
Miner & Mining, Inc.
Farlow Gap Mine
Transylvania County, North Carolina

Dear Mr. Laurence:

Transmitted herewith is a copy of a letter from Mr. Fred Wilson who indicates that he has or will pay all the outstanding bills he incurred at the "A" Mica Mine, DMEA-2533, Contract No. Idm-E407.

The three pieces of mica which Mr. Wilson sent to this office are in the good stained - fair stained category, and in sizes 3 and 4. It is ruby mica, quite hard and splits well. We are hesitant about sending the application to the field team for examination until the reliability of the Operator has been established. We wish the field team to verify the statements of Mr. Fred Wilson when they are in the area and can do so conveniently.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

Approved:

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

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

Enclosure

LGHouk:gad 4/8/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

140

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

APR 14 1954

Houk
Rubin
Hofflund
Selvidge
Fehlmann

Mr. Dean S. Hasbrouck
Mines & Mining, Inc.
Post Office Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Farlow Gap Mine
Transylvania County, North Carolina

Dear Mr. Hasbrouck:

Receipt is acknowledged of the basic lease from the Bureau of Land Management to Marvin Owen, Route 2, Brevard, North Carolina, and the assignment of the lease to Mines & Mining, Inc., dated March 10, 1954. In reviewing the basic lease from the Bureau of Land Management we noted that Section 2(1) covering "Assignment" requires the written approval of the lessor to the assignment of any interest in the lease. However, we found no evidence of the lessor's written consent in the papers which you sent to us. Therefore, we require this additional evidence.

You have not replied to the inquiry in our letter of March 24, as to the State in which your corporation was incorporated.

Moreover, in this case, the Government will not have the benefit of an Owner's Consent to Lien because the lessor is the Government. It will, therefore, be necessary for your corporation to file a financial statement listing the assets and liabilities of the corporation.

Upon receipt of this information, we will give further consideration to the subject application.

Sincerely yours,

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk/HCRubin/emd
4/12/54
Copy to: Docket
Adm. R. File
L. G. Houk
Field Team, Reg. VII(2)
Mr. Dietrich, 3061
Mr. Larrabee, G-232GSA Bldg.
J. L. Hofflund
H. C. Rubin
chron.
pending

Department of the Interior
Defense Minerals Administration
RECEIVED
APR 5 1954

Asheville, N. C.,
P.O.Box 8I84
March 30th I954

Mr. Lawrence G. Houk, Chief.
Nonmetalic Minerals Division.
Washington, D. C.,

Dear Mr. Houk:

Your letter of the 24th received, concerning accounts at the "A" Mica mine DMEA-2533 contract Idm-E407, I have paid for all the equiptment except a 2 ft., and a 4 ft., carbon-carbide drill steel, I owe the Rock bit Co., for, and two hardware stores a small balance each, the only equiptment I had on rent was a motor, used appx., I00 hrs only I00 gallons of fuel was used, and I paid $200.00 rent, all other equiptment and machinery belong to me and it is all paid for.

I will see these parties at wonce and pay them any balance that I owe them. I expected John Vanwerry to pay a part of the I0 % but he dident help me any in completing the project. Your letter just brought to me the cause of the delay in answering, I am prospecting for Mines & Mining, Inc., and have found several good deposits of Ruby clear flat Mica here in Greenville, Anderson, and Pickens Counties, S. C., The enclosed sample will show you the quality of the mica. The men are anxious and ready to start work at that Farlow-Gap Mica Mine, where we have applied for money to help work it, the vein is a hard rock vein and can be worked as a open cut and the vein banched down, the vein is from 7 to I2 feet wide, and mica large and plentiful, some of the best mica that was bought by the Colonial Mica Co., at the end of the war come from this mine, this is a new mine, but mica as large as I½ foot in diameter was found. The vein will be uncovered for the Inspectors to examine it and we will be ready to go with them.

Good Mica

Yours truly

Fred Wilson

FILE COPY
SURNAME:

Houk
Rubin
Hofflund
McCullough

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

MAR 2 4 1954

Mr. Dean S. Hasbrouck
Mines & Mining, Inc.
Post Office Box 8184
Asheville, North Carolina

Re: Docket No. DMEA-3265 - Mica
Farlow Gap Mine
Transylvania County
North Carolina

Dear Mr. Hasbrouck:

In reviewing the subject application of your company for exploration aid, we noted that we do not have information as to the State where incorporated. It was also noted that you furnished us with a photostat of an assignment of a lease from Marvin Owens to Fred Wilson, D. S. Hasbrouck, and Rogers Grant, Jr., but you did not furnish us with a copy of the basic lease from the Bureau of Land Management to Marvin Owens, and a copy of the instrument transferring the interest in the land to the corporate applicant.

Upon receipt of this information, we will give further consideration to your company's application.

Sincerely yours,

SIGNED

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:HCR:ep 3-23-54

Copy to: Docket
Admr. Reading File
Field Team, Region VII (2)
Mr. Dietrich, 3061
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk
Mr. Hofflund
Mr. Rubin
Chron.
Pending

G.-4
R.S. 3-24-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 415, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

March 15, 1954

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-3265 (mica) Mines & Mining, Inc. Farlow Gap Mine. Transylvania County, N. C.-Status of Fred Wilson's Debts.

On March 8, 1954, Cannon Brothers, Dillsboro, N. C., were contacted regarding any unpaid bill of Fred Wilson. Mr. Wilson owes this concern $16.96 for fuel purchased and used for the "A" Mine (DMEA-2533). Mr. Jim Berry, from whom the compressor was rented, and used at the "A" Mine, states that two months rent was paid and that an unpaid balance of $550.00 remains. The operator of the Amco Service Station at Franklin, N. C. has not been paid for two tires ($35.00) purchased more than a year ago by Mr. Wilson.

Only three concerns were contacted and in all cases Mr. Wilson had unpaid debts with them. We also understand that Mr. Wilson owes a grocery bill in Franklin which is in excess of $100.00 and that the timber used in the "A" Mine, and for the tool house has not been paid. These last two items were not verified.

The Field Team is of the opinion that the unpaid compressor rental is sufficient within its self as a basis for denying any application in which Mr. Wilson has an interest.

W A Beck

Wm. A. Beck, Acting
Executive Officer, DMEA-Reg. VII

Benjamin Gildersleeve

Benjamin Gildersleeve, Geologist
U. S. Geological Survey

Not assigned

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

March 9, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3265

Applicant: Mines & Mining, Inc.

Name and Location of Property: Farlow Gap Mine
Transylvania County, North Carolina

Application Rec'd by Ceramic & Fertilizer Mats. Branch: February 26, 1954

Comments:

1. Bureau of Mines records show an average monthly purchase from May to September 1944 of $717.34 worth of mica by Colonial Mica for subject mine.

2. Geological Survey (Professional Paper 225, p. 66) tested 184 pieces of mica from subject mine and were found to be 62 percent E-1 capacitor quality.

3. Estimated cost of proposed project totals $3,546.

Recommendation:

It is suggested the field team examine this mine to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite exploration plan. The applicant should be informed of Amendment 3 to DMEA Order No. 1.

W. F. Dietrich

W. F. Dietrich

File Copy
Surname:

Houk
Selfridge
Hedges
Weisendorf

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

MAR 4 1954

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

Subject: Docket No. DMEA-3265 -- ~~Mica~~
Mines & Mining, Inc.
Farlow Gap Mine
Transylvania County, ~~North Carolina~~

Dear Mr. Laurence:

Reference is made to the subject application for exploration assistance on the Farlow Gap Mine, Transylvania County, North Carolina.

It is noted that the Vice President and Superintendent is Fred Wilson who had Contract No. Idm-E407, Docket No. DMEA-2533, in partnership with John VanWerry at the "A" Mine.

In a memorandum of September 3, 1953, from the Field Team to the Operating Committee on Docket No. DMEA-3128, Fred Wilson, Sheep Cliff Mine, there is a statement that Mr. Wilson failed to pay certain obligations incurred during his work at the "A" Mine. If it has been definitely established that Mr. Wilson has incurred these bills and has not paid them we shall not process the application until settlement is made by Mr. Wilson.

It is noted that the assignment for the rights of the mining lease from the Bureau of Land Management through Marvin Owens, lessee, are to individuals and not to the Mines & Mining, Inc.

Please verify the status of Mr. Wilson's debts at your earliest convenience.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

D. M. Larrabee
Member, Geological Survey

LGHouk:gad 3/2/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3526
Mr. Larrabee, G-232 GSA Bldg.
Mr. Houk

R.C.S. 3-4-54

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 1 - 1954

IN REPLY REFER TO:
G-MD-CNM

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

February 26, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3265 (MICA)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: Mines and Mining, Inc.
Name of property: Farlow Gap Mine.
Location of property: Near Brevard, Transylvania County.
Summary of applicant's proposal:
Access roadwork
Stripping and benching
50' adit
Sources of information on applicant's property:
Farlow Gap Mica Mine, ms. report June 15, 1944, by E. Wm. Heinrich.

Quality and quantity of mica above average for Franklin district.

Comments:

1. Applicant proposes to drive an adit northward toward the creek. Can this be, with no backs?

2. Applicants proposal nebulous; costs not well laid out.

3. Will applicant pay 25%?

4. Is much of this proposal mining?

5. Field examiners lay out a new program of exploration, if any.

RECOMMENDATION:

Refer to Field Examiners.

D. M. Larrabee

D. M. Larrabee

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

February 26, 1954

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-3265 Mines & Mining, Inc.

ROBERT E. ADAMS

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

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

February 26, 1954
Subject: DMEA-3265
Re: Exploration Assistance
Farlow Gap Mine

Mines & Mining, Inc.
P. O. Box 8184
Asheville, N.C.

Dear Sirs:

The receipt of your application dated February 16, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3265 and referred to the

Kindly refer to DMEA-3265 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 33, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

February 24, 1954

Mr. Dean S. Hasbrouck
Mines & Mining Inc.
P.O. Box 8184
Asheville, North Carolina

Dear Mr. Hasbrouck:

This will acknowledge receipt of your application, on form MF-103, for aid in exploring for strategic mica at the Farlow Gap mine in Transylvania County, N. C. The application has been forwarded to our Washington office in accordance with established procedure.

It will expedite processing of your application if you will send a sample of the mica (approximately 1/4 lb.) to Mr. W. S. Flynt, Supt. Mica Buying Depot, Box 846, Spruce Pine, North Carolina, and ask him to advise me if it is acceptable for purchase by the Government.

I assume that you are aware of Amendment No. 3 to DMEA Order 1, which provides that the Government will contribute 75 percent of the approved costs of exploration, in the case of mica, on all contracts for which application was filed after November 3, 1953.

Very truly yours,

Robert A. Laurence

PAL/zm.
cc:
Beck
Lynch
Opr. Com.-3
Files

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

RECEIVED
FEB 26 1954

February 24, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Application from Mines & Mining Inc., Asheville, N. C.
Farlow Gap Mine, Transylvania County, N. C.

Enclosed are three copies of the subject application and three copies of my letter to the applicant. The fourth copy has been retained for our use.

Please note under item 3 d, that the lease from Bureau of Land Management will be provided when received (presumably from Marvin Owens, former lessee). We will send this to you when we receive it.

Robert A. Laurence

Robert A. Laurence

ASSETS		LIABILITIES	
Cash on hand and in bank	$ 1000 00	Notes due banks	$ —
Notes and accounts due me (good)		Notes due others	—
Stocks and bonds	2500 00	Accounts and bills due	300
Automobile(s)	2000 00	Taxes due	150
Furniture, fixtures, equipment	2000 00	Installments accounts (balance due)	
Real Estate			
	15,000 00	Mortgages on real estate	11,500 00
Total Assets	$ 22,500 00		
Deduct Total Liabilities	$ 11,950	Total Liabilities	$ 11,950 00
Balance, representing Net Worth	$ 10,550		

How much life insurance do you carry? $ 34,000 To whom is it payable? Wife

Annual income from salary, business, or profession $ 7,500 Other income $ —

Does statement include assets, liabilities and income of wife? No

The above statements are given to the ~~First National Bank & Trust Company~~ in Asheville for the purpose of securing credit and to the best of my knowledge and belief are complete and correct.

Date Jan 27, 1955 Signed Robert H. Green

(Mines & Mining) (DMEM - 3265)

REAL ESTATE

LOCATION AND DESCRIPTION (IF FARM LAND, STATE NUMBER OF ACRES—CULTIVATED AND UNCULTIVATED)	CASH BOOK VALUE	APPRAISED VALUE (BY WHOM)	ASSESSED VALUE FOR TAX	MORTGAGES & ASSESSMENTS DUE & TAXES UNPAID	WHEN DUE AND AMOUNT	AMOUNT OF INSURANCE	TITLE IN NAME OF

STOCKS AND BONDS

NAME OF CORPORATION	NUMBER OF SHARES	MARKET VALUE	RATE OF DIVIDENDS	DIVIDENDS PASSED	STOCK ISSUED TO

The above statements are given to the First National Bank & Trust Company in Asheville for the purpose of securing credit and to the best of my knowledge and belief are complete and correct.

DATE_____ SIGNATURE_____

M-7-54-G

Exploration Project Contract
Mines and Minerals, Inc.
Docket No. OMM-3265
Annex I.

The land referred to in Article 2 of the Contract form and in Annex II is known as the Harlow Gap Mine and was leased for mining purposes to Marvin Owens for a period of five years by the United States of America, Bureau of Land Management, by an instrument dated August 1, 1952. Said lease was assigned by Marvin Owens for the remainder of the term to Mines and Minerals, Inc. by an instrument dated March 10, 1954. The Harlow Gap Mine is located 11.5 airline miles N.14°W of Norman, Pennsylvania County, North Carolina in the Pisgah National Forest, and is described in the lease as follows:

(See Lease)

Exploration Project Contract
Miner and Mining, Inc.
Docket No. DMEA-3265
Exhibit "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the attached map entitled "Pegmatites of the Cashiers and Jarrettsville Districts, North Carolina, Farlow Gap Mine DMEA-3265 (mica)", as follows:

1. Construct:
   (a) A toolhouse-bunkhouse, minimum dimensions 12 feet by 20 feet by 7 feet high.
   (b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
   (c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

   The toolhouse-bunkhouse may be unfloored; shall be made from rough, unfinished lumber, with protective roof covering; and shall be equipped with lock and key.

   The powder and exploder magazines shall be boxed on all sides; shall be made from 2-inch hardwood or 3-inch softwood; and shall be braced at all corners. Lumber for these two boxes shall be smooth on the inside of boxes. No metal shall be exposed; and the lids shall be securely locked with the equivalent of a 5-tumbler jarproof lock.
2. Repair 1/4 mile access road and prepare shaft site with a D-7 bulldozer.
3. Clean muck out of open pit and construct a portal for incline shaft.
4. Sink on the pegmatite 50 feet ~~of two~~ of ~~compartment~~ inclined shaft with partitioned manway.

5. Explore the pegmatite by driving from the ~~shaft~~ inclined shaft 75 feet of drifts and/or Crosscuts.

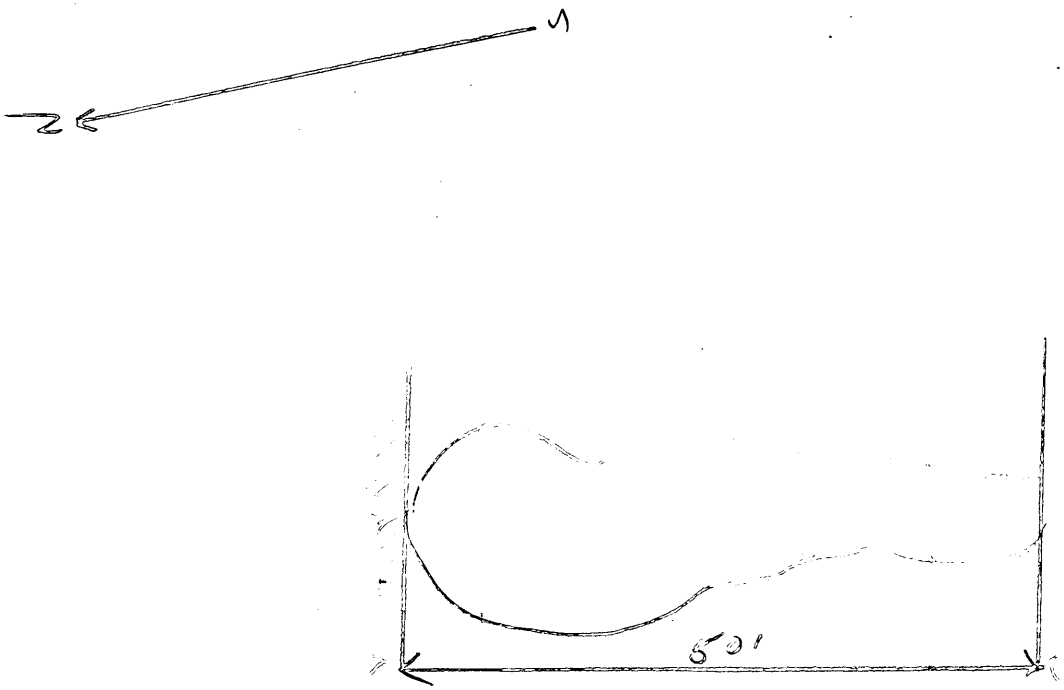
The inclined shaft and drifts and/or crosscuts shall be timbered as necessary and shall have minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

The location, inclination, direction and extent of all work are subject to the approval of the Government.

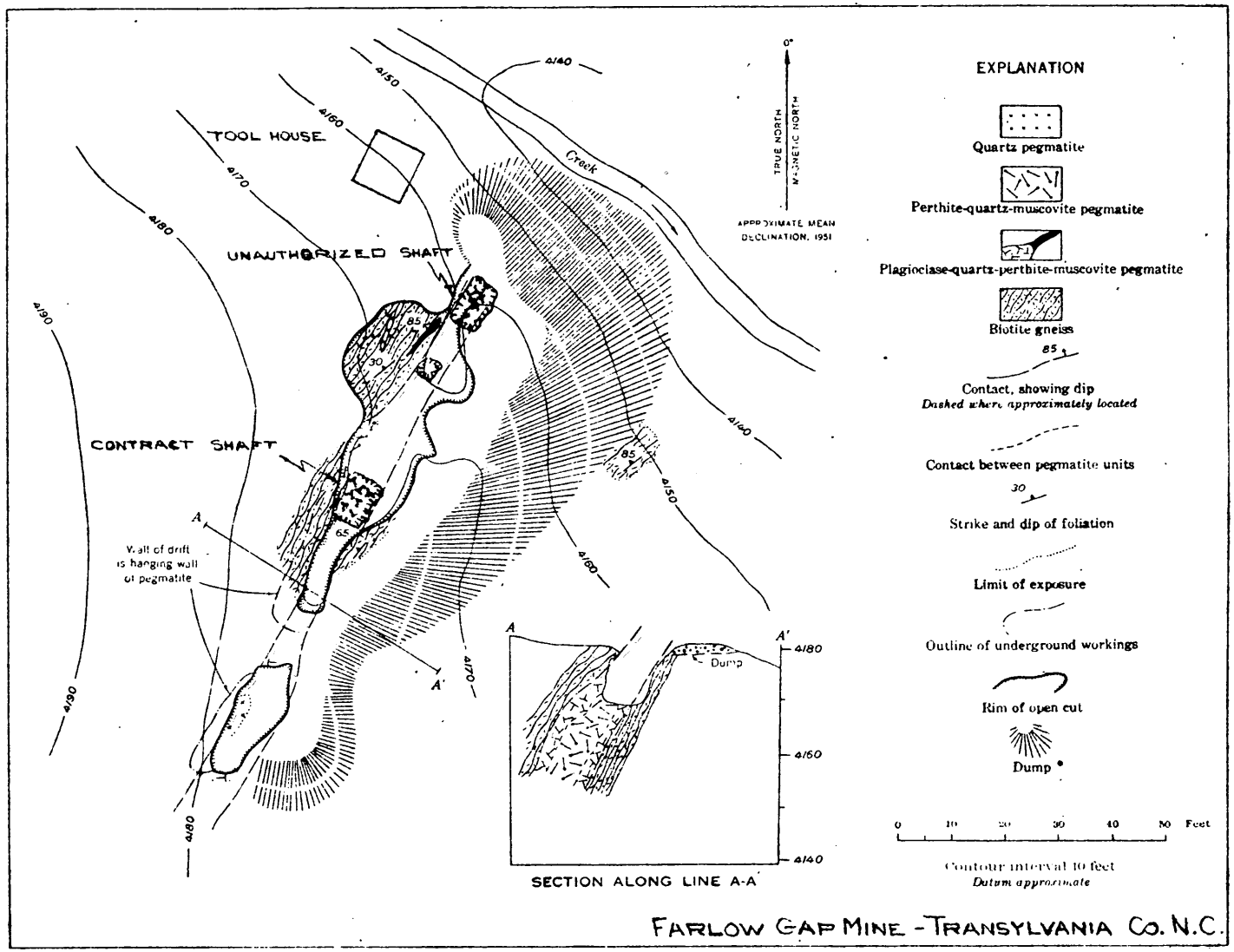
Fixed ~~Agreed~~ Unit Costs -

Construction -	Toolhouse - bunkhouse 1/	$ 128.00
	Powder magazine 1/	25.00
	Explosive magazine 1/	13.00
Bulldozing -	30 hours @ $12.00/hr.	360.00
Clearing muck and constructing portal 1/		160.00
Sinking 50 feet of incline @ $42.50/ft.		2,125.00
Driving 75 feet of drift and/or crosscut @ $31.00/ft.		2,325.00
~~Agreed~~ Estimated total cost of project		$ 5,136.00
Government participation @ 75%		$ 3,852.00

1/ The completed work constitutes the unit.



EXISTING



FARLOW GAP MINE - TRANSYLVANIA CO. N.C.

Mapped by C. Robison and E. Wm. Heinrich, June 15, 1944

OMEA 3265 (MCA)