DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 3351

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Exploration Assistance

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Cys to USBM, USGS & Reg.

Routing Slip

To:	600	Date	5/14/54
To:	Mr. Cenderson	Date	5/17/54
To:	Open Com	Date	6-14-54
To:	Open Com	Date	7-21-54
To:	Open Com	Date	7-27-54
To:	600	Date	7-28
To:	Open Com	Date	8-16-54
To:	Admr	Date	10-19-56
To:	Open Com	Date	11-13-56
To:	130	Date	8-27-57
To:	110	Date	8-30-57
To:	130	Date	9-9-57
To:	130	Date	11-4-57
To:	110	Date	11-6-57
To:		Date	

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CONTROLLED DOCUMENT

FILE COPY
Surname:
Anderson
Houk
~~Rogers~~
Kayes
Selfridge
~~Bellmann~~
~~Sprague~~
~~Hedges~~
Martin
H. Johnson

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

AUG 2 1954

Messrs. C. W. Ellis and
Walter Grindstaff
Spruce Pine, North Carolina

Re: Docket No. DMEA-3351 - Mica
Buckeye Mine
Mitchell County, North Carolina

Gentlemen:

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

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

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

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

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:ag 7/21/54
Copy to: Admr. R. File
Docket File
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.C.G.

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

August 12, 1954

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: A denial of exploration assistance and summary report.

By: Walter C. Anderson

1. Docket No. DMEA-3351 - Mica
   Property: Buckeye Mine
   Mitchell County, North Carolina

   Applicants: C. W. Ellis and Walter Grindstaff, partners
   Spruce Pine, North Carolina

   Application: Form MF-103, received May 14, 1954
   Work proposed: Bulldozing, rehabilitating shaft, deepening shaft 40 feet and drifting 80 feet.
   Amount requested - $6,860.00.

2. Field Team Report received June 28, 1954.
   Recommend a contract.
   Work proposed: Repair road, prepare shaft site, rehabilitate shaft, deepen shaft 40 ft., and 75 feet of drifting.
   Estimated cost of project by field team $5,125.50

3. No contract - application denied.

4. Comments:

   Geological premise: There is no evidence to indicate a continuance of the mica shoot, since the flat stope suggests there was no pitching mica shoot to follow.

   Geological criteria on which denial is based:
   1. Knife edge to 6 ft. pegmatite suggests an unusual proportion of wall rock was handled.
   2. No evidence of continuing pitching mica shoot.
   3. Flat stope suggests pegmatite bottomed.

   Future possibilities: It looks like past operations have exhausted mica reserves in this deposit.

Recommendations:

1. Field says denial is preferable to new shaft at some point on surface.

2. The Nonmetallic Minerals Division recommends denial. In addition to the above comments, the denial is based on the cost and the troublesome nature of the work that must be done to accomplish the proposed exploration. To repay the Government share, close to $80,000 worth of mica must be produced, which is a very remote possibility.

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

August 2, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: DMEA-3351, Buckeye Mine (mica) C. W. Ellis & Walter Grindstaff, Spruce Pine, N. C.

Please refer to your letter of July 27.

Available information does not indicate the presence or probable presence of pegmatite other than the lenses described, which appear to be in a zone striking northeast as shown on the map. It might be desirable to add a provision for about 100 feet of long drill holes from the shaft or drift to explore for other possible lenses, but the proposal to deepen the existing shaft and then drift to explore the known pegmatite zone seems to us the best method of exploring this deposit. If this is not considered feasible, then denial would be preferable to a new shaft sunk from some point on the surface.

If the examiners were able to tape 53 feet in the clear in the old shaft, we anticipate little difficulty in rehabilitating it through the old stope. All old workings are in unweathered rock. A new site to the northeast might well encounter old workings related to the caved 25-foot ~~xxxx~~ shaft.

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

DMEA-3351

This is another Field Team recommendation of doubtful merit. However, most are now of this type. I would go along with the Field Team on these but Mr. Houk does not want to approve them as he feels they will bring forth better projects if we deny some of these. Maybe a compromise position could be taken where we would participate only in actual opening of new ground and operators stand all cost of preparation and rehabilitation work.

FEJ

DMEA-3351

This is another fulll team recommendation of doubtful merit. However, most are now of this type. I would go along with the field team on these but Mr. Hoover doesn't want to approve them as he feels they will bring better better projects if we delay some of them. Maybe a compromise position could be taken where we would participate only in actual operation of new zones and injecting stand all cost of prospecting & subsequent work. RJ

DOCKET FILE
Surname:
Anderson
Houk
Selfridge
Hedges
Larrabee

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

JUL 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-3351 - Mica
C. W. Ellis and
Walter Grimistaff
Buckeye Mine
Mitchell County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team's Examination Report on the Buckeye Mine.

The Field Team's proposal to rehabilitate the 62' shaft and sink an additional 40' to explore a previously mined mica shoot may not be the best approach to exploring this property. With the present information on hand, it has been our thinking that denial would be in order but wish to consult with you before making the final decision. Does this property have other pegmatites that could be explored?

Before any action is taken we would appreciate having your comments, and possibly after further study you may have another approach for exploration at this property.

Copies of memoranda from the Geological Survey, dated July 2, 1954, and from the Bureau of Mines, dated July 13, 1954, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Approved:

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

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

Enclosures 4

WCAnderson:gad 7/26/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, 5216
Mr. Houk

R.C.H.

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-3351 (mica)

Applicant: C. W. Ellis and Walter Grindstaff

Name and Location of Property: Buckeye Mine
Mitchell County, North Carolina

Date of Field Team Report: June 25, 1954

Date Rec'd. in Ceramic & Fertilizer Materials Br.: July 6, 1954

Field Team Recommendation:

1. Approval of an exploration program estimated at $5,125.50.

Comments:

1. Strategic mica has been produced at this mine and present exposures indicate the possibilities of finding additional quantities of strategic mica.

2. The field team examiners are of the opinion that the exploration program proposed by the applicants is the most economical and practical. The proposed exploration project consists of: (1) road repair, (2) rehabilitation of 62-foot shaft, (3) sinking the shaft 40 feet and drifting 80 feet.

3. Proposed exploration is consistent with local engineering practice.

Recommendation:

I concur with the field team in the approval of an exploration program on a unit-cost basis in an amount not to exceed $5,125.50.

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-3351 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: C. W. Ellis and Walter Grindstaff, Spruce Pine, N. C.
Name of property: Buckeye Mine
Location of property: Mitchell County, N. C.
Date of Field Team Report: June 25, 1954.
Authorship of Field Team Report: K. H. Teague and D. H. Amos.
Field Team's recommendation:

1. Repair road.
2. Rehabilitate 62' shaft.
3. Deepen shaft 40'.
4. Drift 80'

$5,125.50

Comments:

1. Rehabilitating old shaft through large stope may be very troublesome.
2. Flat floor of stope does not indicate following any pitching mica shoot, and most pitch.
3. Knife edge to 6' pegs suggest that an unusually large proportion of wall rock was handled.
4. An alternate proposal might be to avoid mined out area, starting at scratch, starting NE of 60' shaft.

ACTION RECOMMENDED: Denial.

D M Larrabee

D. M. Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Room 13, Post Office Building
Knoxville 2, Tennessee

June 25, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region VII

Subject: Field Examination Report, DMEA-3351 (mica)
C. W. Ellis and Walter Grindstaff, applicants
Buckeye Mine, Mitchell County, North Carolina

Enclosed are four copies of the subject examination report, and six extra copies of the map.

The Field Team is in agreement with this proposal, and recommends approval of a contract, on a unit-cost basis.

Robert A. Laurence

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

Wm A. Beck 3m

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

Reviewed by
DMEA OPERATING COMMITTEE
7-2-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

7/21/54

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF FIELD EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3351, BUCKEYE MINE (mica)
Mitchell County, N. C.

By

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

and

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

June 25, 1954

Reviewed by
DMEA OPERATING COMMITTEE
7-2-54
(date)

FIELD EXAMINATION REPORT
On
DMEA-3351, BUCKEYE MINE (Mitchell County)
(mica)

Applicants: C. W. Ellis and Walter Grindstaff, Ptnrs. Spruce Pine, N. C.

Considerable mica has been produced from this mine. Present exposures and the dump contains mica of strategic quality and there are no indication that the deposit has been worked out. The field examiners recommend that exploratory assistance be granted.

The Buckeye Mine is 3.1 airline miles S. 60° E. of Bakersville, Mitchell County, North Carolina on the northwest side of Pisgah Mountain north of its junction with Road Ridge.

The property was examined on June 17, 1954. Messrs. C. W. Ellis, and Walter Grindstaff accompanied the examiners on the inspection which required two hours.

Access is via about 1 mile of jeep road part of which is in need of minor repair. Surface facilities consist of a toolhouse in poor repair.

A description of existing works and of the geology of the deposit given in an unpublished, U. S. G. S. manuscript, author unknown, is as follows:

"The earliest mining developed an open cut 60 feet long and about 10 feet deep. A vertical shaft was sunk to a depth of 60 feet from the bottom of this opening, and stoping was carried S. 25° W. for a distance of 100 feet. The back of the stope slopes 20° SW. but the floor is nearly level. A 25-foot shaft was sunk in the same pegmatite body from a point 50 feet fortheast of the main shaft. The hornblende gneiss country rock is biotitic adjacent to the deposit. Its foliation trends N. 25° E. and dips very steeply, but locally is marked by braod rolls.

The deposit consists of concordant pegmatite lenses that pinch and swell markedly. In general they are vertical and strike N. 25°E. They range in thickness from a knife edge to 6 feet, and are sharply bounded from the wall rock. Other lenses that are exposed in the southwest wall of the main shaft plunge 20° SW. The pegmatite consists of oligoclase, microcline, and quartz, with muscovite, granular masses of garnet, and fracture-filling sercite. The book mica is very light green in color and of good quality."

The mine was first worked about 1911 by J. E. Burleson and then intermittently up to World War II. Pre-Colonial value of mica recovered was estimated in the above quoted report to have been at least $35,000.

Colonial records show sales of 5,641 pounds(5076 lbs. was punch) for $2,890. It was classified as green.

Area covered by the applicants lease is adequate to conduct the proposed exploration. Both applicants have had considerable mica mining experience and are competent. Supplies, equipment, and skilled labor are available locally. No electricity is available.

The exploration program proposed the by applicants is in the opinion of the field examiners, the most economical and practical. This consists of (1) road repair with bulldozer, (2) rehabilitation of 62-foot shaft, (3) deepening of shaft 40 feet and, (4) drifting 80 feet. A small amount of dozer work at the shaft site will also be necessary. The above quoted manuscript reports the existing shaft to be 60 feet deep. Whereas, the examiners taped it at 53 feet (flooded), indicating there may be up to 7 feet of muck in the bottom. The shaft is timbered for about the first 15 feet with logs which will have to be replaced. The present inside dimension is 5' x5 1/2'. Replacement with sawed timber would give an inside dimension of 5 1/2' x 6'. It is recommended by the examiners that no attempt be made to trim the shaft to 5' x 7'. A total of 75 feet of drift in pegmatite should be sufficient to adequately explore the deposit. All new shaft and drifts will be in unweathered material.

An estimate of costs for this work is as follows:

Repair road and prepare site, 8 hrs. @ $12.50/hr. (D-7 dozer)		$100.00
Rehabilitate shaft		
Dewater shaft and stope (5 days)		
Compressor and pump, rental $220/Mo.	$55.00	
1 - Operator @ $1.00/hr.	40.00	
Gas and Oil	30.00	125.00
Retimber top 15 ft. of shaft (3 shifts)		
Timber 1000 B.F. @ $75/M	75.00	
1 - Carpenter @ $1.75/hr	42.00	
1 - Helper @ $1.00/hr	24.00	
Nails and small tools	15.00	156.00
Removal of muck (2 shifts)		
Pump rental @ $20/Mo.	2.00	
Hoist rental @ $50/Mo.	5.00	
Gas and Oil	10.00	
1- Hoistman @ $1.25/hr	20.00	
2- Laborers @ $1.00/hr	16.00	
Small tools	15.00	
Construction of partioned manway (2 shifts)		
Timber, 500 B.F. @ $75/M	37.50	
1 - carpenter @ $1.75/hr.	28.00	
1 - helper @ $1.00/hr	16.00	149.50

Magazines will be supplied by the Operator at no cost to project.

Sink 5 1/2' x 6' shaft additional 40 ft.
with partitioned manway (25 shifts)

Timber 500 B.F. @ $75/M	$ 37.50	
Compressor, hammer and pump rental @ $240/Mo.	300.00	
Hoist rental @ $50/Mo.	62.50	
1 - Foreman-miner @ $1.50/hr	300.00	
1 - Hoistman @ $1.25/hr	250.00	
2 - Laborers @ $1.00/hr	400.00	
Gas and Oil	175.00	
Drill steel	125.00	
Explosives	200.00	
Misc. - Insurance, Soc. Sec., and repairs	150.00	
Contingencies	50.00	$2,050.00

Drive 75 feet of 5' x 7' drift (30 shifts)

Compressor, hammer and pump rental @ $240/Mo.	$ 360.00	
Hoist rental @ $50/Mo.	75.00	
1 - Foreman-Miner @ $1.50/Hr.	360.00	
1 - Hoistman @ $1.25/hr	300.00	
2- Laborers @ $1.00/hr	480.00	
Gas and Oil	250.00	
Drill steel	150.00	
Explosvies	250.00	
Misc.-Insurance, Soc. Sec., and repairs	250.00	
Contingencies	70.00	2,545.00
Total.....		$5,125.50

June 25, 1954

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

FILE COPY
Surname:

Anderson
Houk
Selfridge
[illegible]

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

JUN 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-3351 - Mica
C. W. Ellis and
Walter Grindstaff
Buckeye Mine
Mitchell 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 May 18, 1954, and from the Bureau of Mines, dated June 7, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge (GCS)
Chairman, Operating Committee

Approved:

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

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

Enclosures 4

WCAnderson:ag 6/11/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Larrabee, G-232, GSA Bldg.
Mr. Houk

R.G.S.

FILE COPY
Surname:
Anderson
Hopf
Selfridge

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

JUN 1 4 1954

Messrs. C. W. Ellis and
Walter Grindstaff
Spruce Pine, North Carolina

Re: Docket No. DMEA-3351 - Mica
Buckeye Mine
Mitchell 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. Laurence, 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 the 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,

Frank E. Johnson (fw)

ACTING Administrator

WCAnderson:ag 6/11/54
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.J.

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

Defense Minerals Administration
RECEIVED
JUN 8 1954

June 7, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3351 (mica)

Applicant: C. W. Ellis and W. Grindstaff

Name and Location of Property: Buckeye Mine
Mitchell County, North Carolina

Date Applicant Rec'd. by Ceramic & Fertilizer Mtls. Br.: May 17, 1954

Comments:

1. Proposed exploration appears to be consistent with good engineering practices.

2. Mine is located in general area of productive mines.

3. Estimated cost, itemized on a unit-cost basis, total $6,860.

Recommendation:

It is suggested the field team visit this mine to ascertain if an exploration project is justified. If so, the field team and applicants should agree on a definite plan.

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.

May 18, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3351 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: C. W. Ellis and Walter Grindstaff.
Name of property: Buckeye Mine.
Location of property: Mitchell County, North Carolina.
Summary of applicant's proposal:

Bulldoze for road.
Rehabilitate 62' shaft
Deepen shaft 40'
Drift 80'

$6,860

Sources of information on applicant's property:

Colonial records show green production of $2,890 for 5,641 lbs.

Comments:

No evidence given for belief that "main mica shoot" was not previously mined.

RECOMMENDATION:

Refer to field team.

D. M. Larrabee

D. M. Larrabee

Messrs. C. W. Ellis &
Walter Grindstaff
Spruce Pine
North Carolina

May 14, 1954
Subject: DMEA-3351
Re: Exploration Assistance
Buckeye Mine

Gentlemen:

The receipt of your application dated 5/12/54 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-3351 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMEA-3351 in any future correspondence relating to your application.

Sincerely yours,

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

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 14 1954

Not to be filled in by applicant

Docket No. 3351
Metal or Mineral Mica
Date Received
Estimated Cost $6,860
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: C. W. Ellis and Walter Grindstaff, Partners
Spruce Pine, N. C.

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

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

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

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

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

(*b*) State any mine name by which the property is known. Buckeye Mine, Mitchell County.

(*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. Lease attached.

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. Held by landlord. No land patents involved.

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

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

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

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

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

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

.....

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☐ Use of equipment owned by you ☐ Other

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 5-12-54, 195..

.....
(Applicant)

By C. W. Ellis

.....

.....

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

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

MF-103

1. C. W. Ellis and Walter Grindstaff, Spruce Pine, N. C. Partners.

2. No answer

3. (a) This is lease property. Legal description included on lease attached in 3 (d) below.

   (b) Buckeye Mine, Mitchell County.

   (c) Lessee

   (d) Lease attached.

   (e) Not land owner.

   (f) Land held by landlord. No land patents involved.

4. (a) Physical works set forth in attached map.

   (b) This mine was worked during the last war, and sold about $12,000.00 worth of good mica.

   (c) The main difficulty in previous operations was handling the water. Since that time a power line has been established relatively close to the mine. It is believed that the previous difficulty can now be overcome and that the previous workings were not deep enough to pick up the main mica vein. This mine is located on what would be called the Sink Hole Mine lead. It is believed that mica of ruby variety and of stockpile quality could be recovered by reworking this mine.

   (d) This property is accessible with some bulldozing work on existing road.

   (e) Sufficient manpower is available, power is within 600 feet, materials and equipment available.

5. (a) It is anticipated that the pegmatite contains additional quantities of ruby mica of stockpile quality.

   (b) It is proposed to bulldoze 20 hrs. to make present road accessible, rehabilitate existing shaft, deepen shaft 40 ft. and drift 80 feet.

   (c) Work will start (within) 30 days after contract is approved.

   (d) Personal history of applicants now on file with DMEA.

6. Estimate of costs attached.

7. Applicant is prepared to furnish 25% of costs in money.

6. ESTIMATE OF COSTS:

Bulldozing 20 hrs. @ $10.00 per hour	$ 200.00
Rehabilitating Shaft (dewatering, enlarging shaft and putting in man way) 62 feet @ $30.00 per foot	1860.00
Deepening shaft 40' @ $50.00 per ft.	2000.00
Drifting 80' @ $35.00 per ft.	2800.00
Total costs	$ 6860.00

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 29th day of April, 1954, ~~19XX~~,

between W. B. Parsons and wife Lillian Parsons and Beatrice Butt

of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and C. W. Ellis and Walter Grindstaff

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

A certain Mica Mine on the head waters of White Oak Creek and known and designated as the Buckeye Mica Mine. Beginning at the center of the mine and running N. 250 ft., thence West 250 ft., thence South 500 Ft., thence East 500 ft, thence N. 500 ft., thence West 250 ft. to beginning.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said parties of the first part, or his or their heirs or assigns, a rental royalty of One Eighth

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of_____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessors. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness: Irma McKinney

W B Parsons (Seal)

Lillian Parsons (Seal)

Beatrice Butt (Seal)

State of North Carolina,
Mitchell County.

Beatrice Butt

Personally appeared before me this day, W. B. Parsons and wife Lillian Parsons and acknowledged the due execution of the foregoing lease for the use and purposes therein expressed.

Witness my hand and seal this the 29th day of April, 1954.

Ross McKinney
Justice of the Peace.

(COPY)

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 29th day of April, 1954, ~~1983~~, between W. B. Parsons and wife Lillian Parsons and Beatrice Butt of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and C. W. Ellis and Walter Grindstaff of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

A certain Mica Mine on the head waters of White Oak Creek and known and designated as the Buckeye Mica Mine. Beginning at the center of the mine and running N. 250 ft., thence West 250 ft., thence South 500 ft., thence East 500 ft., thence North 500 ft., thence West 250 ft. to beginning.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part___ of the first part, or his or their heirs or assigns, a rental royalty of One-Eighth on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of_____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor___. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

(Signed) Brown McKinney

(Signed) W. B. Parsons (Seal)

(Signed) Lillian Parsons (Seal)

(Signed) Beatrice Butt (Seal)

(COPY)

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 29th day of April, 1954, between W. B. Parsons and wife Lillian Parsons and Beatrice Butt of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and G. W. Ellis and Walter Grindstaff of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

A certain Mica Mine on the head waters of White Oak Creek and known and designated as the Buckeye Mica Mine. Beginning at the center of the mine and running N. 250 ft., thence West 250 ft., thence South 500 ft., thence East 500 ft., themce North 500 ft., thence West 250 ft. to beginning.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part___ of the first part, or his or their heirs or assigns, a rental royalty of One-Eighth on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of_____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor___. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

(Signed) Brown McKinney

(Signed) W. B. Parsons (Seal)

(Signed) Lillian Parsons (Seal)

(Signed) Beatrice Butt (Seal)

MINING LEASE

Recorded
MAY 14 1954

State of North Carolina Mitchell County:

This indenture made this 29th day of April, 1954, ~~195X~~

between W. B. Parsons and wife Lillian Parsons and Beatrice Butt

of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and C. W. Ellis and Walter Grindstaff

of Mitchell County and State of North Carolina, party of the second part and known as lessee.

WITNESSETH, That the parties the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessors, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written to wit:

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TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the condition of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operatins during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have the right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said parties of the first part, or his or their heirs or assigns, a rental royalty of One Eighth

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the party of the first part or by the continuation of any mining operations then being conducted. The lessor___ reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real estate described and set forth in this lease for a total purchase price of_____, said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessors. The lessee agrees that during the period of this lease or the continuance of this lease work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:
Gross McKinney

W B Parsons (Seal)
Lillian Parsons (Seal)
Beatrice Butt (Seal)

State of North Carolina,
Mitchell County.

Beatrice Britt

Personally appeared before me this day, W. B. Parsons and wife Lillian Par ons and acknowledged the due execution of the foregoing lease for the use and purposes therein expressed.

Witness my hand and seal this the 29th day of April, 1954.

Grover McKinney
Justice of the Peace

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell described as follows:1/

A certain Mica Mine on the head waters of White Oak Creek and known and designated as the Buckeye Mica Mine . Beginning at the center of the mine and running N. 250 ft., thence West 250 ft., thence South 500 ft., thence East 500 ft., thence N. 500 ft., thence W. 250 ft. to beginning.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ C. W. Ellis and Walter Grindstaff

hereinafter called the "Operator"; and

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

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

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

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

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

4. Changes and added provisions

Dated this 29th day of April, 1954.

M B Parsons [Seal]

Lillian Parsons [Seal]

Beatrice Butt [Seal]

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

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

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

Repayment by Operator.--a. Certification.--If at any time the Government considers that a discovery or development from which production may be made has resulted from the exploration work, the Government, at any time not later than six months after the Operator has rendered the final report and final account, may so certify in writing to the Operator. Such certification shall describe broadly or indicate the nature of the discovery or development.

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

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

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

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

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

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

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

f. No Obligation to Produce.--This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

COPY

MF-203

OWNER'S CONSENT TO LIEN

WHEREAS, the undersigned, as owner, co-owner, lessor, or seller has an interest in certain property in the State of North Carolina, County of Mitchell, described as follows:1/

A certain Mica Mine on the head waters of White Oak Creek and known and designated as the Buckeye Mica Mine. Beginning at the center of the mine and running North 250 ft., thence West 250 ft., thence South 500 ft., thence East 500 ft., thence North 500 ft., thence West 250 ft. to beginning.

which is the subject of a proposed exploration project contract, hereinafter called the "contract", between the United States of America, hereinafter called the "Government", and

2/ _____

_____

_____

hereinafter called the "Operator"; and

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

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

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

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

3. The undersigned shall commit no act nor assert any claim that may contravene or conflict with the lien, claim, or rights of the Government under the provisions of said contract. This agreement shall be binding upon the heirs, executors, administrators, successors, and assigns of the undersigned.

Dated this 29th day of April, 195 4.

(Signed) W. H. Parsons [Seal]

(Signed) Lillian Parsons [Seal]

(Signed) Beatrice Dutt [Seal]

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

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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

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

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

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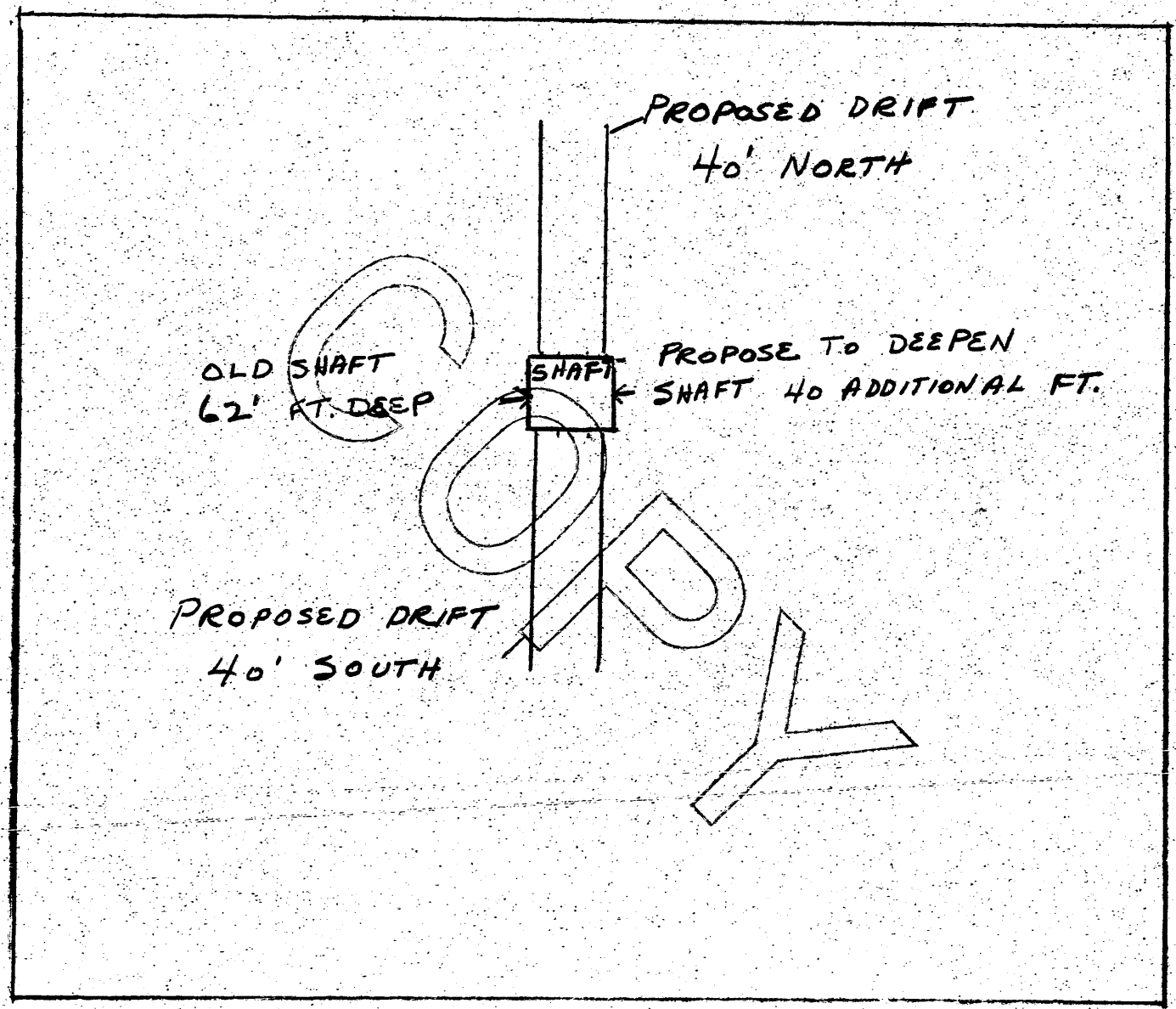
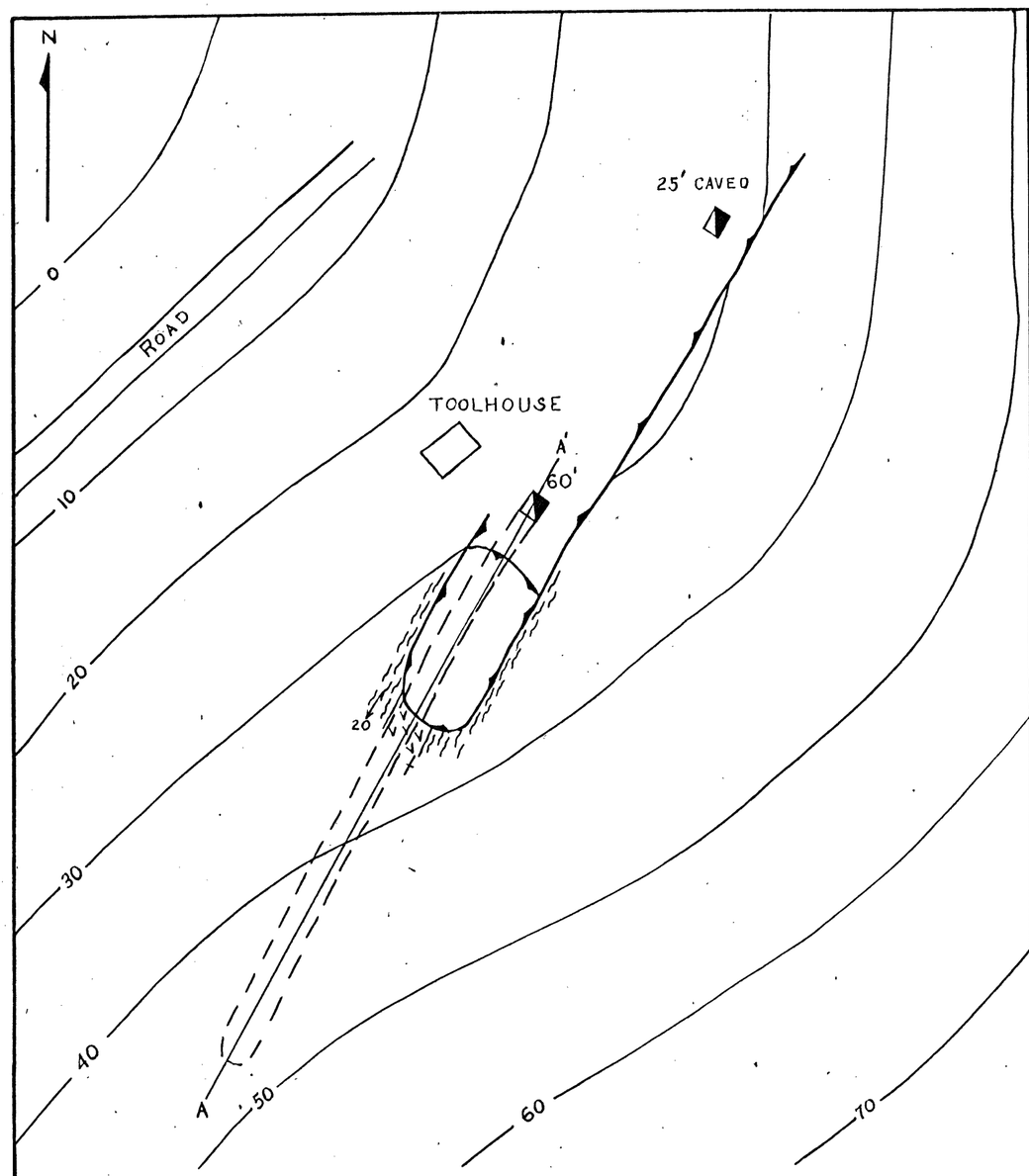
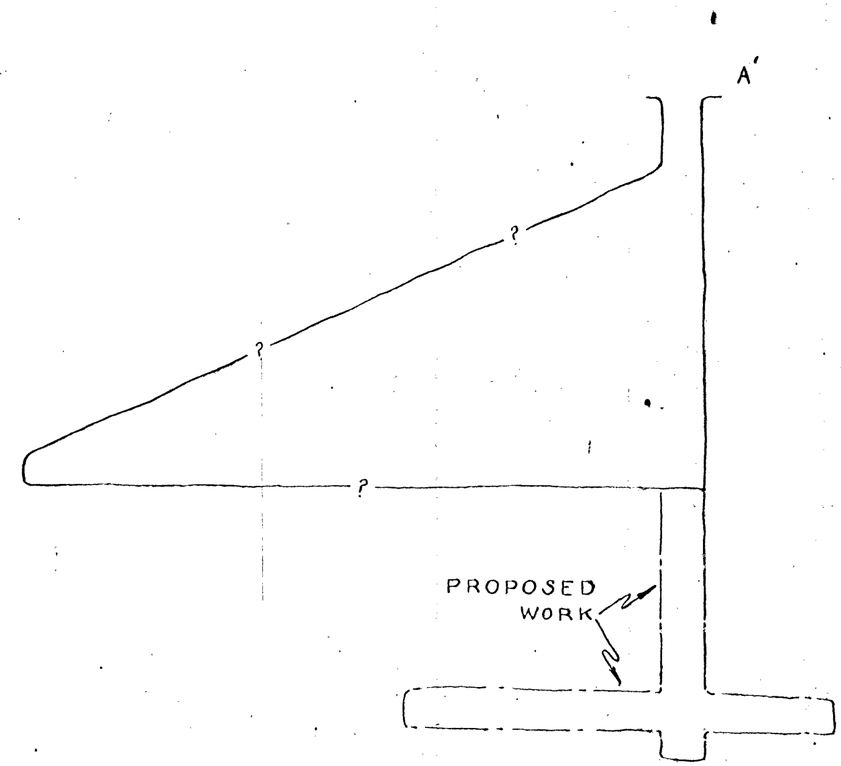
BUCKEYE MINE - MITCHELL CO.





0 20' 40'
SCALE

SKETCH OF
BUCKEYE MINE
MITCHELL CO, N.C.



SECTION A-A'

DMEA-3351 (mica)