DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 3415

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This document has been recorded as

Exploration Assistance

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Cys to USBM & USGS

Routing Slip

To:	600	Date	7/14/54
To:	Oper Com	Date	8-6-54
To:	Oper Com	Date	9-17-54
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DO NOT DETACH

CONTROLLED DOCUMENT

Docket Copy
Surname:
Anderson
Houk
Kiilsgaard
Hedges
Lethridge
Johnson

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

SEP 17 1954

Mr. Guy E. Coffey, et al.

Hawk, North Carolina

Re: Docket No. DMEA-3415 - Mica
Larkin Buchanan, John Dewitt Ayers
and Guy E. Coffey, Partnership
Buchanan Mine
Mitchell County, North Carolina

Dear Mr. Coffey:

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,

Frank E. Johnson 6-4-857

ACTING Administrator

WCAnderson:gad 9/15/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Operating Committee
Mr. Kiilsgaard, 5227
Mr. Dietrich, 3061
Mr. Houk

R.C.G.

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

September 15, 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-3415 - Mica
Property: Buchanan Mine
Mitchell County, North Carolina
Applicants: Larkin Buchanan, John Dewitt Ayers and
Guy E. Coffey, Partnership
C/O Guy E. Coffey
Hawk, North Carolina

Application: Form MF-103, date received July 14, 1954
Work proposed: Drifting at three separate levels, in words of applicants, "Explore side veins-about 10 feet under each other and main vein for a distance of 50 feet". Total footage not given.
Amount requested: $4,028.50
No contract: Application denied.

2. Comments:

Geological premise: There are no geological criteria that will justify Government participation in exploration of this project which is based on the premise that the submarginal characteristics of the deposit will improve.
Geological criteria:
1. Unzoned pegmatite up to 3 feet thick.
2. Mica is sparse and small.
3. Past operations uneconomical.
Future possibilities: Remote for economical operation.

Recommendation: The Nonmetallic Minerals Division concurs with field team in denying the application. The Geological Survey and the Bureau of Mines also concur.

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

September 7, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-3415 (mica)

Applicants: Guy E. Coffey, Larkin Buchanan and John D. Ayers

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

Date of Field Team Report: August 17, 1954

Date Rec'd. by Ceramic & Fertilizer Mtls. Br.: August 23, 1954

Field Team Recommendation:

1. Denial of application.

Comments:

1. An unzoned pegmatite dike is exposed but books of mica are small.

2. Examiners are of the opinion an economical operation cannot be conducted at this mine.

Recommendation:

I concur in the field team's recommendation to deny subject application.

Donald R. Irving

Donald R. Irving

IN REPLY REFER TO:

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

August 23, 1954

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-3415 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: E. L. Newcomb, U. S. Geological Survey
Applicant: E. E. and H. L. Burleson
Name of property: Buchanan Mine
Location of property: 3.4 mi. SE of Bakersville, Mitchell Co., N. C.
Date of Field Team Report: August 17, 1954
Authorship of Field Team Report: K. H. Teague and D. H. Amos
Field Team's recommendation: Application should be denied.
Comments: I concur with Field Team conclusions.
ACTION RECOMMENDED: Application should be denied.

E. L. Newcomb

E. L. Newcomb

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

August 17, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA- Region VII

Subject: Field Examination Reports (mica) DMEA-3416, E. E. & H. L. ~~Buchanan~~ Burleson
DMEA-3415; Coffey, Buchanan & Ayers

Enclosed are four copies each of the two subject examination reports.

We recommend denial of both, in keeping with the field examiners' conclusions that further exploration is not justified.

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

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

On

DMEA-3415, BUCHANAN MINE (mica)
Mitchell County, N. C.

By

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

August 12, 1954

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
ON
DMEA-3415 -BUCHANAN MINE (mica)

Applicants: Guy E. Coffey, Larkin Buchanan and John Dewitt Ayers,
c/o Guy E. Coffey, Hawk, North Carolina

Recent work on this deposit has been submarginal. Additional work would likely meet the same fate. Therefore, the examiners recommend that the application be denied.

The deposit was examined August 12, 1954. Mr. Guy E. Coffey accompanied the examiners on the inspection which required two hours.

The Buchanan Mine is on the steep north slope of Pisgah Mountain 3.37 airline miles S. 67° E. of Bakersville and 1.47 airline miles S. 33° E. of Clarrissa, Mitchell County, North Carolina. Access is possible to within 0.75 mile of the mine. From that point to the mine only a foot trail is present. This is not the J. K. Buchanan Mine.

This prospect is supposed to have been worked during World War II and recently the applicants operated it for about two months and sold about $250 worth of mica for their efforts. Cost of production was about three times the value of the mica produced.

At this place three thin stringer-like pods of pegmatite have been exposed by a circular pit 20 feet in diameter. It has been worked to a depth of about 25 feet. The pit is in unweathered biotite gneiss and pegmatite. The pegmatites are emplaced conformable to the foliation of the wall rock which varies in strike from east-west to N. 50° W. Dip of the foliation is about 60° south and southwest.

The various pegmatite pods are discontinuous along both strike and dip and appear to occur in a zone about 10 feet thick. Where exposed the pegmatites grade into quartz veins along both strike and dip. The pegmatites range in thickness up to about three feet. They are essentially unzoned, consisting of a medium to fine-grained mixture of soda feldspar, quartz, muscovite, and red garnet. No books of mica more than 4 inches in diameter were observed and most of the mica is less than two inches in diameter. The mica is hard, ruby-colored, clear, generally flat, but all is small and sparse.

The Field examiners recommend that the application be denied because past operations appear to have adequately tested the deposit. The pegmatites are small, discontinuous, and past operations have been uneconomical.

August 12, 1954.

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

Docket Copy
Surname:
Anderson
Houk
Selfridge

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

AUG 5 1954

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

Subject: Docket No. DMEA-3415 - Mica
Guy E. Coffey, et al.
Buchanan 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 July 15, 1954, and from the Bureau of Mines, dated July 30, 1954, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Approved:

J. H. Hedges

Member, Bureau of Mines (24B)

/s/ E. L. Newcomb (24B)
Member, Geological Survey

Enclosures 4
WCAnderson:gad 8/5/54
Copy to: Admr. R. File
Docket File
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5227
Mr. Houk

R.C.G.

Docket Copy
Surname:
Anderson
Houk
Hedges
Newcomb
Selfridge

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

AUG 6 1954

Mr. Guy E. Coffey, et al.

Hawk, North Carolina

Re: Docket No. [illegible]-3415 - Mica
Buchanan Mine
Mitchell County, North Carolina

Dear Mr. Coffey:

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.

In order to continue with the processing of your application we must have a better description of the property. The land description with the lease is inadequate, since the directions are too vaguely given. Instead of merely Southeasterly or Northerly direction, the exact direction in degrees and minutes must be given. The metes and bounds description should accurately describe a closed traverse, and total acreage indicated. A property map, if available, showing relationship of mine to boundary lines would be helpful.

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

WCAnderson:gad 8/6/54
Copy to: Admr. R. File
Docket
Field Team, Region VII
Operating Committee
Mr. Dietrich, 3061
Mr. Newcomb, 5227
Mr. Houk

R.C.G.

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

Defense Minerals Administration
RECEIVED
JUL 30 1954

July 30, 1954

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Ceramic and Fertilizer Materials Branch

Subject: DMEA-3415 (mica)

Applicant: Guy E. Coffey

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

Date Application Rec'd. by Ceramic & Fert. Materials Br.: July 14, 1954

Comments:

1. No specific data are available on subject mine but three mines with the name "Buchanan" are mentioned as being in Mitchell County in Geol. Survey Prof. Paper 225.

2. Proposed exploration is not explicit.

3. Expenditures should be on a unit-cost basis.

Recommendation:

It is recommended that the field team visit this mine when in that vicinity to ascertain if an exploration project is justified. If so, the field team and applicant should agree on a definite plan of exploration on a unit-cost basis.

W. F. Dietrich

W. F. Dietrich

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

July 23, 1954

Memorandum

To: Operating Committee, DMEA- Washington

From: Executive Officer, DMEA - Region VII

Subject: DMEA-3415, Application of Larkin Buchanan, John Dewitt Ayers and Guy E. Coffey. (mica)

Transmitted herewith are 6 signed copies of the Owner's Consent to Lien on the subject application.

Mr. Warren H. Pritchard the attorney who filled out the application, states in a letter to me that "John D. Ayers, and Dewitt Ayers is one and the same." The lease is to Larkin Buchanan, DeWitt Ayers, and Guy Coffey but is signed by Larkin Buchanan, John D. Ayers and Guy E. Coffey.

Robert A. Laurence

Robert A. Laurence

IN REPLY REFER TO:
G-MD-CNM

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

RECEIVED
JUL 15 1954

July 15, 1954

Memorandum

REVIEW OF APPLICATION DMEA-3415 (mica)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant's name and address: Larkin Buchanan, John Dewitt Ayers and Guy E. Coffey, Hawk, North Carolina.
Name of property: Buchanan mine.
Location of property: Mitchell County, North Carolina.
Summary of applicant's proposal: No details given.
Sources of information on applicant's property: If this is the J. K. Buchanan mine, we have an unpublished ms. report by J. R. Wolfe, Jr., U.S.G.S., 1944.
Comments: Parts of the deposit might be worth a look, under present mica prices. The mine was no ball of fire during War II conditions.
RECOMMENDATION: Refer to Field Team.

D. M. Larrabee

D. M. Larrabee

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

July 1[illegible], 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 - 3415 Guy E. Coffey, et al.

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

July 14, 1954

Mr. Guy B. Coffey, et al.
Mark
North Carolina

Subject: DMBA-3415
Re: Exploration Assistance
Buchanan Mine

Gentlemen:

The receipt of your application dated July 9, 1954 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMBA-3415 and referred to the Non-Metallic Minerals Division.

Kindly refer to DMBA-3415 in any future correspondence relating to your application.

Sincerely yours,

cc to Mr. Warren H. Pritchard
Spruce Pine
North Carolina

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

July 12, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Applications: Larkin Buchanan, John Dewitt Ayers and Guy E. Coffey, c/o Guy Coffey, Hauk, N. C. (mica)

Transmitted herewith are three copies of the subject application, and three copies of my letter to Mr. Pritchard. One copy of the application has been retained in this office for our files.

Robert A. Laurence
Robert A. Laurence

July 12, 1954

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region VII

Subject: Applications Larkin Buchanan, John Dewitt Ayers and Guy E. Coffey, c/o Guy Coffey, Rock, N. C. (mica)

Transmitted herewith are three copies of the subject application, and three copies of my letter to Mr. Fritchard. One copy of the application has been retained in this office for our files.

Robert A. Lawrence

RH
Opr. Com.
Beck
Lynch
Files

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

July 12, 1954

Mr. Warren H. Pritchard

Spruce Pine, N. C.

Dear Mr. Pritchard:

This will acknowledge receipt of your letter of July 9, with which you enclosed five copies of an application from Larkin Buchanan, John D. Ayers, and Guy E. Coffey and a copy of their lease on land which includes the Buchanan mine in Mitchell County. The application is being forwarded to our Washington Office in accordance with established procedures.

I enclose herewith seven copies of form MF-203, Owners Consent to Lien. Please have these signed by Mrs. Estelle Mayberry, W. F. Hughes and wife Mrs. W. F. Hughes, and B. H. Spencer, Administrator, and send six copies to me. As one copy will become part of the contract, if one is approved, the seventh copy should be given the landowners.

The lease is to Larkin Buchanan, DeWitt Ayers, and Guy Coffey but is signed by Larkin Buchanan, John D. Ayers and Guy E. Coffey. I assume that DeWitt Ayers and John D. Ayers are one and the same; if so will you please send a statement certifying that this is true.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA
Region VII

RAL/zm
cc:
Beck
Lynch
Files
Washington -3

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
OCT 14 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. 3415
Metal or Mineral Mica
Date Received
Estimated Cost $4,029
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: Larkin Buchanan, John Dewitt Ayers & Guy E. Coffey, a partnership, Hawk, North Carolina
c/o Guy E Coffey, Hawk NC

(*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. Partnership

(*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.
As Above

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

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

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

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

(*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. Attached hereto.

(*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.

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

(*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 Ruby 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 at once 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?

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated July 9, 1954.

Guy E. Coffey
(Applicant)

By John D. Myers
Larkin Buchanan
Agent

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

These OCL are O.K.

says Robbins - 7/28/54

NWR

Land Descr. inadequate

17-203
(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/ Located in Cane Creek Township and BEGINNING on a large sugar tree 75 yards below the Larkin Buchanan Mine and in the Harold Gouge line and runs with the Harold Gouge line a~~o~~ aoutheasterly direction ~~150 yards to a marked soft maple; thence a northerly direction 75 yards~~ to a marked maple; thence a northwesterly direction 150 feet to a marked ~~maple; thence a westerly direction 150 feet to a chestnut; thence a~~ southwesterly direction 200 feet to the 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/ Larkin Buchanan, DeWitt Ayers and Guy E. Coffey

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 15th day of July, 1954.

Mrs. Estelle Mayberry [Seal]

W F Hughes [Seal]

Mamie Hughes [Seal]

B L Glover - Adm Estate (SEAL) of Dale P Glover

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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.

Interior—Duplicating Section, Washington, D. C. 47318

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/

~~Cane Creek Township and~~ BEGINNING on a large sugar tree 75 yards below the Larkin Buchanan Mine and in the Harold Gouge line and runs with the Harold Gouge line a southeasterly direction 150 yards to a marked soft maple; thence a northerly direction 75 yards ~~to a marked maple; thence a northwesterly direction 150 feet to a marked~~ maple; thence a westerly direction 150 feet to a chestnut; thence a ~~southwesterly direction 200 feet to the BEGINNING.~~

Located in

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

Larkin Buchanan, DeWitt Ayers and Guy E. Coffey
2/

hereinafter called the "Operator"; and

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

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

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

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

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

4. Changes and added provisions

Dated this 15th day of July, 1954.

Mrs. Estelle M. Caperry [Seal]
W F Hughes [Seal]
Mamie Hughes [Seal]
B H Plumer - Admr Estate (Seal) of Zeb L. Plumer

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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.

Interior—Duplicating Section, Washington, D. C. 47318

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/ Located in ~~Cane Creek Township and adjoining on a large~~ tree 75 yards below the Larkin Buchanan Mine and in the Harold Gouge line and runs with the Harold Gouge line a southeasterly direction 150 yards to a marked soft maple; thence a northerly direction 75 yards ~~to a marked maple; thence a northwesterly direction 150 feet to a marked~~ maple; thence a westerly direction 150 feet to a chestnut; thence a ~~southwesterly direction 200 feet to the 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 Larkin Buchanan, Dolitt Ayers and Guy E. Coffey 2/

hereinafter called the "Operator"; and

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

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

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

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

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

4. Changes and added provisions _____

Dated this 15th day of July, 195__.

Mrs. Estelle Mayberry [Seal]

W. F. Hughes [Seal]

Maggie Hughes [Seal]

W. H. Gleaves Admr Estate (Seal) of Ada L. Gleaves

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

(For instance: the percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half ($1\frac{1}{2}$) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half ($3\frac{1}{2}$) percent.)

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.

Interior--Duplicating Section, Washington, D. C. 47318

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 as follows:1/ ~~Beginning at Cane Creek Township and Mitchell on a large oak tree 75 yards below the Indian Lookout Mine and in the Harold Coupe line and runs with the Harold Coupe line of a northeasterly direction 150 yards to a marked post oak; thence a northerly direction 75 yards to a marked oak; thence a northeasterly direction 150 feet to a marked oak; thence a westerly direction 150 feet to a chestnut; thence a southwesterly direction 300 feet to the 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/ Lucian Lockman, Edith Ayers and Guy E. Corley

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 25th day of July, 195__.

Mrs. Estelle Mayberry [Seal]

W F Hughes [Seal]

Mamie Hughes [Seal]

B H Spencer - Adm Estate (Seal) of Ida P. Spencer

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

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

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

RELEVANT CONTRACT PROVISIONS

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

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

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

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

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

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.

Interior--Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

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

_____

_____

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

2/ _____

_____

_____

hereinafter called the "Operator"; and

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

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

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

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

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

4. Changes and added provisions _____

_____

_____

_____

Dated this _____ day of _____, 195___.

Mrs. Estelle Mayberry [Seal]

W F Hughes [Seal]

Mamie Hughes [Seal]

B H Pearson - Adm Estate (Seal) of Ada T. Pearson

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

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RELEVANT CONTRACT PROVISIONS

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

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

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

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.

Interior—Duplicating Section, Washington, D. C. 47318

MF-203
(Revised July 1, 1953)

OWNER'S CONSENT TO LIEN

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

_____

_____

_____

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

2/ _____

_____

_____

hereinafter called the "Operator"; and

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

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

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

2. To secure the payment to the Government of the percentage royalty on production 3/ 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.

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4. Changes and added provisions _____

_____

_____

_____

Dated this _____ day of _____, 195___.

Mrs. Estella Mayfeny [Seal]

W F Hughes [Seal]

Mamie Hughes [Seal]

B B Spencer, Agent Estate (Seal) of Ida P. Spencer

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

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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) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

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

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

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.

Interior--Duplicating Section, Washington, D. C. 47318

3. (a) Located in Mitchell County, North Carolina, Cane Creek Township, and BEGINNING on a large sugar tree about 75 yards below the Larkin Buchanan Mine and in the Harold Gouge line and runs with the Harold Gouge line a southeasterly course 150 yards to a marked soft maple; thence a northerly direction 75 yards to a marked maple; thence a northwesterly direction 150 feet to a matked maple; thence a westerly direction 150 feet to a chestnut; thence a southwesterly direction 200 feet to the BEGINNING.

4. (a) There have been some prior mining activities on this land some few years ago and now there has been considerable prospecting recently. Mine workings are readily accessible for examination purposes.

(b) This mine is in the vicinity of many other mica mines.

(c) There are three side veins and one main vein-all of which are under a flint formation.

(d) In Cane Creek Township, Mitchell County, North Carolina, Turn right at Clarrissa, N. C. and go to Milt Wilson's residence, then turn right again and go about 1 mile further. The mine is located about 2 miles from Clarrissa, North Carolina, and about 14 miles from Spruce Pine, N. C.

(e) Manpower, materials, supplies and power are available as necessary.

5. (b) Desire to explore side veins-about 10 feet under each other, and also explore the main vein. Veins are all under the same flint formation. Desire to follow main vein about 50 feet. Other mines in the vicinity include the Ben Cox Mine, Pislel Mine, Buckeye Mine and Erb Mine.

(d) Larkin Buchanan has mined about all of his life-Other partners to a lesser degree.

6. Labor Costs:

Hoist Operator $1 per hr.-8 hrs. daily-12 weeks-------	$480.00
2 muckers-$1 hr, each-8 hrs. daily-12 weeks----------	960.00
Hammer Operator-$1.50 hr. 8 hrs. dailey-12 weeks------	720.00
Compressor Rent $145 monthly for 3 mos.	435.00
Jack Hammer Rent-$45.50 monthly for 3 mos.	136.50
Hose	60.00
Hoist Rental---	250.00
Steel	135.00
Shovels & Picks	25.00
Installing Costs	150.00
Wire	24.00
Piping	40.00
Battery	8.00
Water Barrel	5.00
Powder	200.00
Contingencies	400.00
TOTAL----------	$4028.50

MINING LEASE

State of North Carolina Mitchell County:

This indenture made this 23rd day of June 1954, ~~1952~~, between Mrs. Estelle Mayberry, widow, W. F. Hughes and wife Mrs. W. F. Hughes, and B. H. Spencer, Administrator of Mitchell County and State of North Carolina as party of the first part, and known as lessors, and Larkin Buchanan, DeWitt Ayers and Guy Coffey 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:

Located in Cane Creek Township and BEGINNING on a large sugar tree about 75 yards below the Larkin Buchanan Mine and in the Harold Gouge line and runs with the Harold Gouge line a southeasterly direction 150 yards to a marked soft maple; thence a northerly direction 75 yards to a marked maple; thence a northwesterly direction 150 feet to a marked maple; thence a westerly direction 150 feet to a chestnut; thence a southwesterly direction 200 feet to the 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 of the selling price on all mica 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 lessors 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:

W. F. Hughes (SEAL)
Mrs. Estelle Mayberry (Seal)
Mrs W. F. Hughes (SEAL)
Larkin Buchanan (Seal)
B. H. Spencer Adm. for Estate of Zeb H. Spencer (SEAL)
(Seal)
John D. Ayers (SEAL)
Guy E. Coffey (SEAL)

NORTH CAROLINA

MITCHELL COUNTY

I, Clyde Pritchard, Justice of Peace, hereby certify that Mrs. Estelle Mayberry, widow and John DeWitt Ayers and Guy E. Coffey all personally appeared before me this date and acknowledged the due execution by them of the foregoing MINING LEASE.

Witness my hand and seal this the 23rd day of June 1954.

Clyde Pritchard (SEAL)
Justice of Peace

NORTH CAROLINA

MITCHELL COUNTY

I, R. P. Greene, CSC, hereby certify that W. F. Hughes and wife Mrs. W. F. Hughes and Larkin Buchanan all personally appeared before me this date and acknowledged the due execution by them of the foregoing MINING LEASE.

Let the instrument with the certificate be registered.

Witness my hand and seal this the 30 day of June, 1954.

R. P. Greene
Clerk Superior Court.

STATE OF TENNESSEE

COUNTY OF WASHINGTON

I, Margaret Bise, Notary Public, hereby certify that B. H. Spencer, Administrator, personally appeared before me this date and acknowledged the due execution of the foregoing MINING LEASE.

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

Margaret Bise
Notary Public

My commission expires: March 12, 1957

LAW OFFICE
WARREN H. PRITCHARD
SPRUCE PINE, N. C.

State of North Carolina,

Mitchell County.

The foregoing certificate of Clyde Pritchard, a ~~Notary Public~~ Justice of the Peace of the above State and County, and the certificate of Margaret Bise, a Notary Public of the State of Tennessee and Cou nty of Washington, each are adjudged to be correct and according to law.

Let the instrument with the certificate be registered.

This the 30th, day of June, 1954.

L. P. Greene

Clerk Superior Court.

Filed for Registration on the 30 day of June 1954 at 9:00 o'clock A.M., and Registered in the office of the Register of Deeds for Mitchell County, N. C. this 30 day of June 1954 at 11:30 o'clock A M., in Book 15 of Deeds, on Page 140 etc.

Mae Elizabeth Snyder
Dep. Register of Deeds