☑ Audited 10/6/55 WORK ANALYSIS SHEET - DMEA PROJECT ☐ Actual Cost

☐ Certified Analysis as of 9/20/55 ☑ Agreed Unit Costs

Incl. Voucher for August 55

Name W. C. Crotts Docket No. 3755

State No. Carolina Commodity Mica Idm-E No. 807

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting	60 Ft.	$1,800.00		—	
Raising				—	
Shafts	40 Ft.	1,600.00		—	
Winzes					
Drilling (Specify)					
Surface Excavation		225.00		225.00	225.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.		39.00		—	
Other (Specify)					
Totals		$3,664.00		$225.00	225.00

Prepared by Walter C. Anderson

71626

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

W. C. Crotts
Route 4
Shelby, North Carolina

g to Exploration Project Contract No. Idm-2807, Docket No. DMEA-
r the month of August 1955, covering a project for the exploration
s on property, known as the W. C. Crotts Mine located in Cleveland
nty, North Carolina.

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

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

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

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

Total cost as billed by Contractor		$225.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith	-0-	-0-
Total Accepted Cost		$225.00

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

"$168.75"

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

E. D. Talbert

E. D. Talbert, Auditor

October 6, 1955

Division copy

MF-200A
(Revised June 1954)

Docket No. DMEA - 3125

Commodity Mica

Contract No. Idm-E 807

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

It is agreed this 6th day of June, 1955, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] M. C. Crouse, whose mailing address is Route 4, Shelby, North Carolina, hereinafter called the "Operator," as follows:

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

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

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

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Lien of $500 on 100 acres.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) *Royalty on production.*—The Operator, as principal if the Operator is the producer, or as surety if the Operator is not the producer, shall pay to the Government a royalty on all minerals mined or produced from the land, as follows: (1) regardless of any certification of discovery or development, from the date of the contract until the lapse of the time within which the Government may make such certification, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first; or (2) if the Government makes a certification of discovery or development, within a period of ten years from the date of the contract, or until the total net amount contributed by the Government without interest is fully repaid, whichever occurs first.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

W. C. CROTTS
(Operator)

By W. C. Crotts

THE UNITED STATES OF AMERICA

By O. M. Mitchendson
Administrator, Defense Minerals Exploration Administration

Butler
Hoffland
"Appd. Sol. Off."
Anderson
Hoch
Chambers

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

.....

[CORPORATE SEAL]

Selfridge
Martin

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

EXPLORATION PROJECT CONTRACT
W. C. CROTTS
DOCKET NO. DMEA-3755

ANNEX I

The land referred to in Article 2 of the contract form is known as the W. C. Crotts Mine. This property is located 9.25 airline miles N. 55° W. of Shelby, Cleveland County, North Carolina, and is that part of the Operator's 100-acre tract of land described as follows:

> Beginning at the center of the 15-foot pit 250 feet due south of the north line of the W. C. Crotts farm, and running north 180 feet, thence west 180 feet, thence south 360 feet, thence east 360 feet, thence north 360 feet, thence west 180 feet, and containing 3 acres.

EXPLORATION PROJECT CONTRACT
W. C. CROTTS
DOCKET NO. DMEA-3755

EXHIBIT "A"

Description of the Work

Exploration for concentrations of strategic mica shall be accomplished in the area indicated on the map entitled "Sketch of W. C. Crotts Mine, Cleveland Co., N. C., DMEA-3755 (mica) April 19, 1955," attached hereto and made a part hereof, in two stages as follows:

The Operator shall complete Stage I and so much of Stage II as is approved in advance by the Government.

STAGE I

By use of a bulldozer (D-8 or equivalent), cut a trench along the strike of the pegmatite. The finished trench shall be 100 feet long, 25 feet wide and not less than 5 feet deep.

STAGE II

1. Construct:

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

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

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

2. Sink on the pegmatite a 2-compartment shaft to a maximum depth of 40 feet.

3. From the incline, explore the pegmatite by driving a maximum of 60 feet of drifts and/or crosscuts.

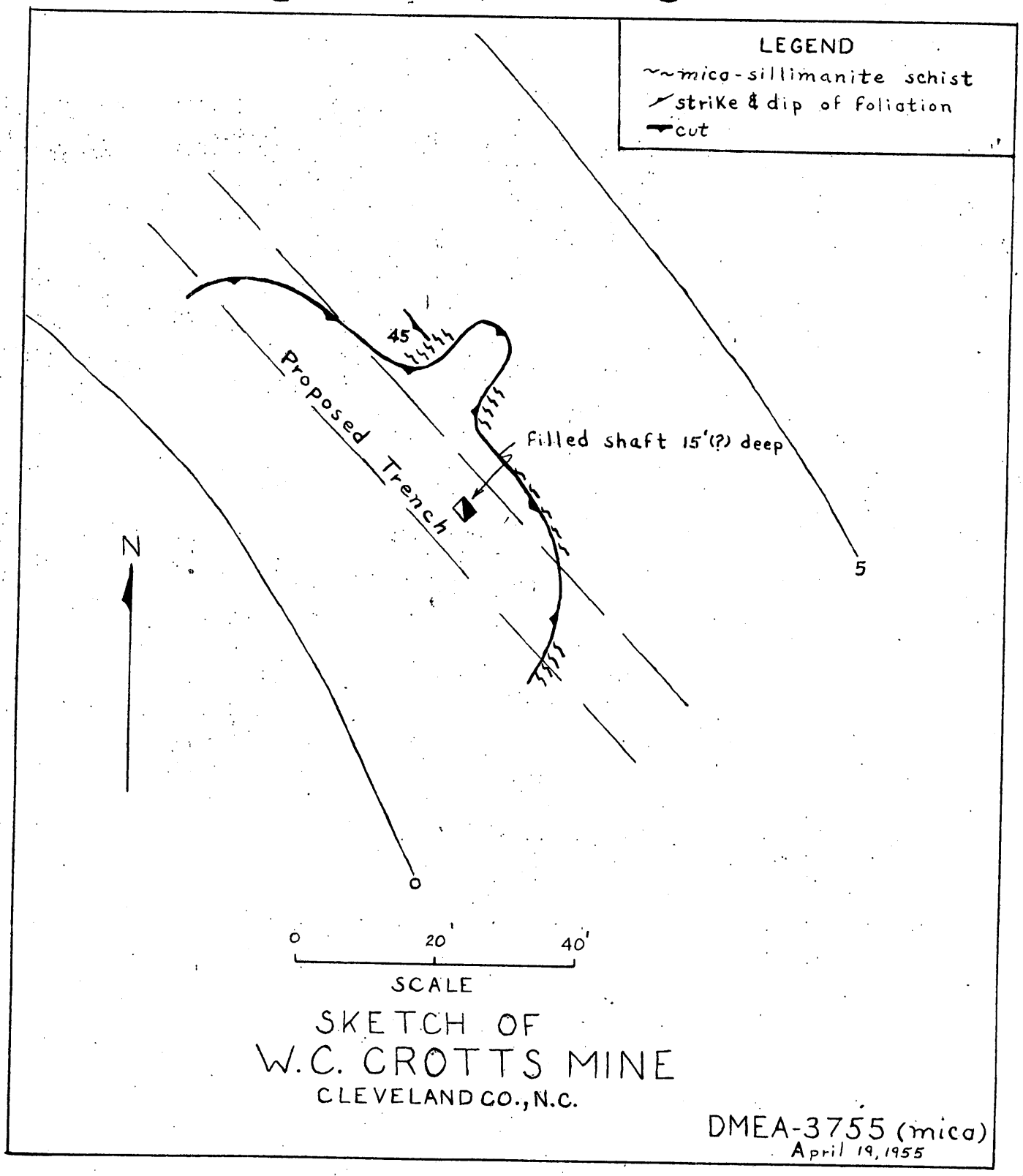
The shaft and the drifts and/or crosscuts shall be timbered as necessary and shall have minimum dimensions of 5 feet by 7 feet in the clear of timber.

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

FIXED UNIT COSTS

Bulldozing trench - 15 hours @ $15/hr.	$ 225.00	
Constructing - Powder magazine 1/	26.00	
Exploder magazine 1/	13.00	
Sinking 40 feet of shaft @ $40/ft.	1,600.00	
Driving 60 feet of drifts and/or crosscuts @ $30/ft.	1,800.00	
Estimated Total Cost of Project		$3,664.00
Government Participation @ 75%		$2,748.00

1/ The completed work constitutes the unit.



SKETCH OF
W.C. CROTTS MINE
CLEVELAND CO., N.C.

DMEA-3755 (mica)
April 19, 1955

APR 27 1956

Mr. W. G. Grubbs
Route 14
Shelby, North Carolina

Re: Docket No. DMEA-3755-mica
W. G. Grubbs
Grubbs Prospect
Cleveland County, North Carolina
Contract No. IGM-2607

Dear Mr. Grubbs:

Reference is made to your terminated exploration contract with the Government.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the contract. In the absence of such certification, the Government retains no claim or lien against the property subject to the contract or any future production therefrom. We, therefore, are closing our books and records on this project. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the period indicated.

Your interest in the DMEA exploration program and participation therein are fully appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

WGAnderson:ms 4/26/56
Copy to: Docket
Mr. Chambers
Field Team, Region V
Mr. Killingsord, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Anderson
Admr. R. File

Project Summary Report

April 26, 1956

By: Walter C. Anderson

1. Docket No. DMEA-3755-misa
Contract No. Idm-E807
W. C. Grotts Mine
Cleveland County, North Carolina

Application: Form MF-103(April 1952) received March 31, 1955
Work proposed:
Excavate three 50 foot long trenches 100 feet apart, across the pegmatite and sink 20 feet of shaft.
Amount requested:
$5,095.00
Operator: W. C. Grotts
Route #4
Shelby, North Carolina
Operator's property rights:
Owner

2. Contract: Form MF-200A(June 1954) dated June 6, 1955
Work authorized:

Stage I	
Bulldoze trench-15 hours @ $15.00/hr.	$ 225.00
Stage II	
Construct powder and exploder magazines	39.00
40 feet of shaft @ $40.00/ft.	1,600.00
60 feet of drifts and/or crosscuts @ $30.00/ft.	1,800.00
Estimated total cost of project	$3,664.00
Government participation @ 75%	$2,748.00

Amendments: None
Work completed:

Stage I	
Bulldozed trench - 15 hours @ $15.00/hr.	$ 225.00
Total accepted cost	$ 225.00
Government participation	$ 168.75

Project began on August 30, 1955 and completed on August 31, 1955
Terminated by letter dated October 3, 1955
Field Team Final Report received September 29, 1955
Operator's Final Report - one and only monthly report accepted as final.
No mica produced during project
No equipment purchased under contract.

3. Audit: Report of Review issued October 6, 1955
Accepted cost $225.00
Government participation $168.75

4. Certification of Discovery: none issued

5. Comments:
How conducted: all of the work in which the Government participated was acceptable.
Operation: small, only 15 hours of bulldozing
Engineering: Operator's one and only monthly report was well done
Geological premise:
the premise that a pegmatite which had formerly produced about 3000 pounds of "mine-run" block mica would continue in depth was wrong as no worthwhile pegmatite was uncovered by trenching.
Geological Criteria upon which work was based:
1. Pegmatite - only information: 3 to 4 feet thick and material in dump consists of weathered feldspathic pegmatite and blocks of quartz up to 18 inches across.
2. Mica - ruby, hard, flat, clear, and free-splitting both "A" and flat, blocks up to 20 inches across
3. Past production
Criteria developed during project:
1. Pegmatite - maximum thickness 2 feet, discontinuous pods over a strike length of 35 feet.
2. Mica - occurs only in small scrap sizes
3. Other Minerals - granular iron-stained quartz and minor feldspar.
Future possibilities: none

Recommendation - The Nonmetallic Minerals Division and the Commodity Members of the Geological Survey and the Bureau of Mines concur in the Field Team's recommendation not to certify.

WCAnderson:ms 4/26/56
Copy to: Mr. Houk
Mr. Anderson
Admr. R. File

W. C. Anderson
Nonmetallic Minerals Division

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

RECEIVED
OCT 14 1955

October 14, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3755 (mica)

Applicant: W. C. Crotts

Name and Location of Property: Grotts Prospect, Cleveland County, N. C.

Contract Number: Idm-E 807

Date of Field Team Report: 9/16/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/3/55

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. No strategic quality mica was encountered in the pegmatite dike.

2. Expenditures -

Total approved	$3,664.00
Total cost	225.00
Gov't. share of the cost	168.75
Value of production during operation	None

Recommendation: I concur with the field team's recommendation.

Signed
W. F. Dietrich

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

October 3, 1955

Mr. W. C. Crotts
Route # 4
Shelby, North Carolina

Re: DMEA-3755, LAm-8807 (mica)
Crotts Prop. Cleveland County, N. C.

Dear Mr. Crotts:

As the work done under Stage I of the subject contract indicated that work of Stage II is not warranted, and approval of Stage II was therefore withheld, the contract is, in effect terminated. This letter will serve in lieu of the usual termination agreement.

Because of the very small amount of work done, we are accepting the narrative which accompanied your August voucher in lieu of the usual final report. We have already processed your final voucher.

I regret that the results were not sufficiently favorable to encourage further work under the contract.

Very truly yours

Robert A. Laurence

EXECUTIVE OFFICER
DMEA REGION V

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

IN REPLY REFER TO:

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

RECEIVED OCT 1955

October 5, 1955

Re: DMEA 3755, Idm-2807
W. C. Crotts
Crotts prospect
Cleveland Co., N. C.
$3,064.00 - Mica

Memorandum

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

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

Subject: Review of Field Team Final report.

Stage I work, bulldozing, costing $225.00, failed to reveal a pegmatite containing strategic mica. No Stage II work was undertaken.

The work done consisted of two bulldozer cuts 75 feet in length, 10 feet wide and 10 feet deep. A little mica was recovered from muck of a previous operation.

No discovery was made, no new mica was recovered and the examiners and Field Team recommend that no certification of discovery should be made.

I concur with that recommendation.

N. E. Nelson

NENelson:iml
G-10/5/55

N. E. Nelson

cc: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061

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

[illegible]

[illegible] 13, [illegible]
[illegible] 2, [illegible]

September 27, 1955

Memorandum

To: Operating Committee, [illegible] - Washington

From: [illegible] Field Team, Region V, Knoxville, Tennessee

Subject: Field Team Final Reports.

Transmitted herewith are four copies each of the following:

[illegible]-3301, Dave and Roy Hice (mica) [illegible], N. C.

[illegible]-3728, Walter and Lucian Grandstaff (mica) [illegible], N. C.

[illegible]-3713, O. T. Phillips, [illegible] (mica) [illegible], N. C.

[illegible]-3682, M. G. Ellis and Tim Carpenter (mica) [illegible], N. C.

[illegible]-3752, L. C. Cretsinger, Shelby, North Carolina (mica)

Your favorable consideration on each of the above reports.

/s/ [illegible]
[illegible], Director
[illegible]
[illegible]

/s/ [illegible]
[illegible], Geologist
[illegible]

Reviewed by
[illegible]

10-3-55
(Date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT
FIELD TEAM, REGION V

On

DMEA-3755 (mica) CROTTS PROSPECT
Cleveland County, N. C.

By

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

and

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

September 16, 1955

10-3-55

FINAL REPORT
ON
DMEA-3755, (mica) CROTTS PROSPECT

Operator: W. C. Crotts, R#4, Shelby, North Carolina

The Crotts Prospect is 9.25 airline miles N. 55°W. of Shelby, Cleveland County, N. C. The deposit is on the southwest side of the Shelby-Newhouse road, about two miles southeast of Newhouse.

Trenching as outlined in Stage I of subject contract was completed. No pegmatite that contained strategic mica was uncovered; therefore, Stage II of the contract was not undertaken. No discovery was made, thus no certification of discovery should be made. Additional work is not warranted.

The project was begun August 30, and completed August 31, 1955. A total of 15 hours of machine time was used.

Trenching consisted of two cuts by bulldozer trending northeast and northwest, and crossing each other. Both cuts were 75 feet in length, 10 feet wide, and had a maximum depth of 10 feet from the original surface. Pegmatite was exposed at the point of intersection and on the east side of the N. 55° cut. It has a maximum thickness of about 2 feet, appeared to be discontinuous pods over a strike length of about 35 feet and is composed of granular iron-stained quartz, minor feldspar, and small scrap-sizes of mica. The strike of the body is about N. 30° E, and the dip steeply to the SW. Enclsoing rock is a sillimanitic mica schist.

A little mica was recovered from muck from the previous operation. No new mica was recovered. Apparently the previous Operators removed the entire mica-bearing pod.

Expenditures:	(a)	Total approved	$3,664.00
	(b)	Total cost of project	225.00
	(c)	Government's share of cost	168.75
	(d)	Government's share unexpended	2,579.25
	(e)	Value of production during operation	- none

The project was conducted satisfactorily. No equipment was purchased for the project.

September 16, 1955

K. H. Teague, Geologist
U. S. G. S.

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

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

140

SEP 29 1955

Mr. Robert A. Laurence
Executive Officer DMEA
Field Team Region V
Room 15 Post Office Bldg.
Knoxville 2, Tennessee

Re: Docket No. DMEA-3755 (Mica)
W. C. Crotts
Crotts Prospect
Cleveland County, North Carolina
Contract No. Ium-EH07

Dear Mr. Laurence:

Reference is made to your memorandum dated September 16, 1955, requesting permission to terminate the subject contract, and also requesting a general authorization to close cases of this kind by a letter notice from you to the operator.

In general a termination agreement is not required when performance of a subsequent stage of work requires Government approval and the Government (Field Team) has determined that it will not approve any additional work. We suggest in such cases that a simple letter be sent to the operator explaining that since results obtained from the preceding stage do not justify additional work, the work described under the succeeding stage of the contract will not be approved. The operator should also be requested to submit his final report and account as required by the contract. Sufficient copies of the letter should be made and distributed for each copy of the contract.

Of course, in unusual cases, such as where there may be some question as to the date of cutting off Government participation in costs, it is best to have a termination agreement with the operator if possible.

Sincerely yours,

C. O. Mittendorf

Administrator

HCRubin/wog 9/26/55
cc: DMEA Docket
Adm. Reading File
Operating Com.
THKillsgaard USGS
LGHouk
WFDietrich, Rm 3061

JLHofflund
HCRubin

Chron.
Pending

7.2.1c

September 20, 1955

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

Subject: Docket No. DMEA-3755 - Mica
W. C. Crotts
Crotts Prospect
Cleveland County, North Carolina
Contract No. Idm-E307

Dear Mr. Laurence:

Reference is made to your memorandum, dated September 16, 1955, requesting permission to terminate the subject contract and also requesting a general authorization to close cases of this kind by a letter notice from you to the geologist ~~by mutual agreement, effective September 8, 1955.~~ A termination agreement is not required when a stage of ~~the~~ work requires your approval ~~is completed~~ and the Government (Field Team) will not approve any ~~of the~~ additional work. In such cases that a proposed [illegible] has been terminated [illegible]

We suggest in such cases that ~~the following in all cases where the contract required Government approval of succeeding stages of work if the prior stage has been completed without modification.~~ A simple letter be sent to the operator explaining that since results obtained from the preceding stage ~~did~~ do not justify additional work, the work described under the succeeding stage of the contract ~~would~~ will not be approved. The operator should also be requested to submit his final report and account as ~~is set forth in~~ required by the contract. Sufficient copies of the letter should be made and distributed ~~to~~ for each copy of the contract.

Of course, in unusual cases, such as where there may be some question as to the date of cutting off joint participation in costs, it is best to have a termination agreement with the operator if possible.

Sincerely yours,

~~Approved:~~

~~Member, Bureau of Mines~~

~~Chairman, Operating Committee~~
admin

~~Member, Geological Survey~~

RECEIVED

SEP 21 1955

GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

DEFENSE MINERALS ADMINISTRATION

97023

PRODUCTION EXPANSION DIVISION

PROCUREMENT APPLICATIONS

Name of Company and Address _____

Name of Mine and Location _____

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

Metals or Minerals involved _____

Length of Contract (preproduction plus production) _____

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

Floor price or Guaranteed price and whether or not escalated _____

Maximum Government Commitment _____

Comments on Contract: _____

_____

_____

_____

_____

_____

Date sent to Legal Division _____

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

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

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

Additional Remarks: _____

_____

_____

_____

_____

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

Superior—Duplicating Section, Washington, D. C.

Signed _____

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

RECEIVED
SEP 19 1955

September 16, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Executive Officer, DMEA - Region V

Subject: DMEA-3755, Idm-E807 (mica), W. C. Crotts, Shelby, N. C.
Crotts Prospect, Cleveland County, N. C.
Request for Permission to Terminate

Enclosed are four copies of the latest interim report on the subject contract. Approval to begin Stage II was not given, and therefore we request permission to terminate the contract by mutual agreement, effective September 8, 1955. We do not plan to recommend certification.

In cases like this one, where the contract requires approval of Stage II, it would simplify administration of the contract if we could notify the Operator to that effect (as was done with your permission in the case of DMEA-3833) instead of requesting the usual termination agreement. Please give us your opinion on this; if you agree, we will in the future send the Operator a notice of non-approval of Stage II with copies to you.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/sm
cc:
Lynch
Shirley
Files

INTERIM REPORT

DMEA-3755, Idm-E807 (mica) CROTTS PROSPECT

OPERATOR: W. C. Crotts, Route #4, Shelby, North Carolina

LOCATION: 9.25 airline miles N55°W of Shelby, Cleveland County, North Carolina

The starting date on this contract is August 30, 1955. Stage I, consisting of trenching by bulldozer, has been completed without exposing sufficient pegmatite that would justify additional exploration in the form of Stage II.

Trenching consisted of two cuts by bulldozer trending northeast and northwest, and crossing each other. Both cuts were 75 feet in length, 10 feet wide, and had a maximum depth of 10 feet from the original surface. Pegmatite was exposed at the point of intersection and on the east side of the N55°E cut. It had a maximum thickness of about 2 feet, appeared to be discontinuous pods, and was composed of granular iron-stained quartz, minor feldspar, and small scrap-sizes of mica. The strike of the body is about N30°E, and the dip steeply to the SW. Enclosing rock is a sillimanitic mica schist.

The examiners are of the opinion that pegmatite sufficient to produce strategic mica does not show from preliminary trench work completed, and that no additional exploration should be attempted at this prospect.

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

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

September 8, 1955

RECEIVED

P. O. Box 217
September 13, 1955

SEP 1 5 1955

Memorandum

To: Jay L. Chambers, Defense Minerals Exploration Administration, Interior Building, Washington 25, D. C.

From: Administrative Assistant, Electrotechnical Experiment Station, Region V, Morris, Tennessee

Subject: Monthly reports and vouchers

We are enclosing two copies each of the following monthly reports and vouchers:

Idm-E-807 — W. C. Crotts
DMEA Docket No. 3755
1st and final payment - month of August
Starting Date: 8/29/55
Termination Date: 9/8/55
Amount $168.75

Idm-E-814 — C. R. Phillips
DMEA Docket No. 3816
1st payment - month of August
Starting Date: 8/22/55
Amount $409.50

Idm-E-846 — C. R. Phillips and Brown Sparks
DMEA Docket No. 3814
1st and final payment - month of August
Starting Date: 8/15/55
Completion Date: 8/23/55
Amount $225.00

Helen R. Miller

Attachments
/hbm
Copies to Lynch
Laurence
Morris files
Day files

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

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

PAID ON VOUCHER & SCHEDULE OF PAYMENTS K... 21

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1955 Docket No. DMEA 3256 RECEIVED Contract No. Idm-E-807
Operator's Name W. C. Crotts, SEP 15 1955 Minerals Mica
Address Rt. 4, Shelby, N. C.
Contract Amount, $ 3664.00 Government Participation: 75 % Amount, $ 2748.00

ITEMS OF COSTS	FOR OPERATOR'S USE			FOR GOVERNMENT USE ONLY		
	Monthly Total	Totals Previously Reported	Totals To Date	Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing	225.00	0	225.00			
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	225.00	0	225.00	225.00		225.00

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

Date 9/1/55 *Payee W. C. Crotts
W. C. Crotts,
Per Title Operator

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

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

(Instructions on reverse)

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

$ 168.75

Signature Helen R. Mullis
(Authorized Certifying Officer)
Date SEP 13 1955 Vou. No. 57
(See other side)

1+7 S 8129 T918 56.25

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. E 807 in accordance with the terms of the contract.

Signature Klyton H. Teague Title Geologist, U.S.G.S. Date 9/9/55

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title EXECUTIVE OFFICER DMEA REGION V Date SEP 12 1955

MONTHLY REPORT OF OPERATOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

RECEIVED
SEP 15 1955

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1955 Docket No. DMEA 3755 Contract No. Idm-E-807

Operator's Name W. C. Crotts, Minerals Mica

Address Rt. 4, Shelby, N. C.

OPERATION	Unit Ft.	Costs This Month	Units This Month	Costs to Date	Units to Date	Unit Costs to Date	Authorized by Contract: Units	Authorized by Contract: Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	15	225.00	15	225.00	15	15.00		
Test Pits								
Roads and Trails								
Total Distributed Costs		225.00	15	225.00				Total Costs Authorized by Contract
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
Total Costs		225.00		225.00				

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

Date 9/1/55 Operator W. C. Crotts

Per W. C. Crotts, Title Operator.

Remarks:

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

(Instructions on reverse)

(For Government use only)

Kepton H. Teague, Geologist

INSTRUCTIONS

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

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

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

GPO 872894

Month of August 1955

DMEA 3755

Idm-E-807

RECEIVED
SEP 15 1955

Work Accomplished:

Procured Bulldozer and proceeded with contract in accordance with Stage I. Cut channel along strike of pegmatite as suggested by Field Engineers, and inasmuch as pegmatite was not very well defined, and an effort to try to define properly the pegmatite, a total depth of about 15 feet was reached in the center of the cut, gradually declining to a depth of approximately 5 feet at each end of cut. No employees needed this stage of operation.

Daily Notes:

August 29 - Proceeded to locate bulldozer and make arrangements for work to begin.

August 30 - [redacted]

Began bulldozing and worked 5 hours. No unusual formations cut and pegmatite not definitely located. Worked in accordance with previous stake-out by Field Engineers.

August 31 - Continued channeling for 10 hours as above and increasing in depth at or near center of cut down to about 15 feet in depth. No pegmatite or vein definitely defined at this depth.

Approximately 25 pounds of block mica recovered from prior operations when dump was moved to make way for new channel.

Mr. W. C. Crotts
Route 4
Shelby, North Carolina

Re: Docket No. DGSA-1755 - Mica
W. C. Crotts
W. C. Crotts Mine
Cleveland County, North Carolina
Contract No. Idm-2877

Dear Mr. Crotts:

Reference is made to your registered letter of August 12, 1955, addressed to Mr. C. O. Mittendorf, and requesting the return of Contract No. Idm-2877 for your signature.

On August 15, 1955, the contract was transmitted to Mr. Robert A. Lawrence, Executive Officer, DGSA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, for approval. Mr. Lawrence will probably contact you in the near future.

Sincerely yours,

Frederick L. Kneuse, Acting Chief
Nonmetallic Minerals Division

FLKneuse:gad 8/16/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Killegnard, 5222
Mr. Dietrich, 3061
Mr. Nook
Mr. Kneuse

A

600

Mr. W. C. Grotts
Route 4
Shelby, North Carolina

Re: Docket No. DMEA-3755 - Mica
W. C. Grotts
W. C. Grotts Mine
Cleveland County, North Carolina
Contract No. Idm-5807

Dear Mr. Grotts:

Reference is made to your registered letter of August 12, 1955, addressed to Mr. C. O. Mittendorf, and requesting the return of Contract No. Idm-5807 for your signature.

On August 15, 1955, the contract was transmitted to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, for approval. Mr. Lawrence will probably contact you in the near future.

Sincerely yours,

Frederick L. Knouse, Acting Chief
Nonmetallic Minerals Division

FLKnouse:gad 8/16/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Knouse

AUG 15 1955

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

Subject: Docket No. DMEA-3755 - Mica
W. C. Crotts
W. C. Crotts Mine
Cleveland County, North Carolina

Dear Mr. Lawrence:

At the request of Mr. W. C. Crotts in a letter dated July 27, 1955, copies enclosed, we are returning the original and five copies of the proposed contract for execution. For your information on July 27, 1955, Mr. L. Rex Boone telephoned this office concerning the proposed contract. During the conversation Mr. Boone was asked what interest he had in this project, and if the plans were for him to direct the work. He stated that he was an employee of Mr. Crotts and that Mr. Crotts would direct the work.

Since the applicant had defaced "Exhibit A" of the proposed contract before he returned it with his comments for consideration, "Exhibit A" was rewritten with the following insertion in the last paragraph under Description of the Work, ...and the supervisor of the work". No other changes were made in the contract.

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

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

Sincerely yours,

Approved:

/s/ Robert W. Geehan
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

W. S. Martin
ACTING Chairman, Operating Committee

WCAnderson:gad 8/12/55
Copy to: Admr. R. File
Docket Field Team, Reg. V
Mr. Kiilsgaard, 5222
Operating Committee Mr. Houk
Mr. Dietrich, 3061
Mr. Anderson

Enclosures 6

August 2, 1955

Memorandum

To: John L. Hofflund, Acting Assistant Solicitor

From: Nonmetallic Minerals Division

Subject: Addition to returned unsigned contract
Docket No. [illegible]-3/55 - Mica
W. C. Crotts
W. C. Crotts Mine
Cleveland County, North Carolina

Reference is made to letter of July 27, 1955, from the subject applicant requesting return of the contract for reconsideration, which he had returned unsigned to Mr. Laurence by letter of June 14, 1955. Reference is also made to the record of the telephone conversation on July 27, 1955, between Messrs. Knouse, Anderson, and L. Rex Boone.

Before returning the contract to Mr. Crotts through the Regional Office, we think it desirable to insert a provision in the appropriate place that would give assurance that supervision of the project will be handled by someone acceptable to the Government.

Also please note that "Exhibit A" of one of the copies of the contract has been marked up by the applicant and must be rewritten.

WCAnderson:pk 8/2/55
Copy to: Admr. N. File
Docket
Mr. Houk
Mr. Anderson

Walter C. Anderson
Nonmetallic Minerals Division

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

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL 29 1955

July 28, 1955

Memorandum

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

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

Subject: DMEA-3755 (Mica)
W. C. Crotts, Shelby, North Carolina
W. C. Crotts Mine, Cleveland County, North Carolina

Reference: Mr. Anderson's phone call, July 27.
Mr. Mittendorf's letter of July 26 to Mr. Robert W. Redwine

We reaffirm our opinion that the changes in the contract requested by Mr. Crotts are unreasonable, unsupported by factual evidence, and out of line with costs on comparable DMEA jobs in the Shelby district. We have reviewed this with Mr. Teague, and are in agreement that there is no unusual ground condition at the Crotts mine which would cause these excessive costs.

Mr. Crotts contends that the drifting should be at the same unit-cost rate as the shaft sinking. This implies either inefficient operation or lack of knowledge of mining.

Mr. Crotts' letter to Senator Scott implies that the Executive Officer exceeded his authority in this case. However, Mr. Laurence's letter of June 16 to Mr. Crotts plainly stated that his request was being referred to Washington as we do not have the authority to make changes in a contract.

Mr. Crotts uses the curious reasoning that these are not really changes because they were asked for in the original application. He evidently assumes that the applicant is entitled to whatever he askes for.

Mr. Crotts should be asked to provide data to support his cost estimates, to explain why it is necessary to use a clamshell or backhoe for an excessive number of hours instead of a

bulldozer, and to elaborate on the reasons for his many other objections to the contract. Further, they should be his opinions and not those of L. Rex Boone.

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

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

RAL/mg
cc - Operating Committee
Mr. V. J. Lynch
Files

July 27, 1955

Mr. Rex Boone calling Mr. F. L. Knouse (acting for Mr. L. G. Houk)

Re: Docket No. DMEA-3755 - Mica
W. C. Crotts Mica Mine
Cleveland County, North Carolina

Mr. Boone: I am talking with reference to Docket 3755 - W. C. Crotts. We have a letter from Mr. Mittendorf, dated July 14, 1955, and I am wondering if you included any timbering in the contract.

Mr. Knouse: Mr. Anderson will answer that.

Mr. Anderson: Yes in the revised contract. Yes that $40 includes timbering as is necessary.

Mr. Boone: Where does it say so.

Mr. Anderson: The contract says $40 a foot for sinking 40 ft. of shaft and driving 60 ft. of drifts and/or crosscuts $30 a ft. It also says in the contract that the shaft, drifts and/or crosscuts shall be timbered as is necessary. That $40 a foot includes the timbering.

Mr. Boone: This contract deviates from the past.

Mr. Anderson: Not within the last two years.

Mr. Boone: Less than two years. I had a contract with DMEA in which timbering was paid for separately.

Mr. Anderson: It is a long time since timbering has been set up separately. This is a 40 ft. shaft and shallower than other shafts and the ground that would be sunk through is no different from many others.

Mr. Knouse: Mr. Boone are you the applicant?

Mr. Boone: No. Mr. Crotts is the operator. No. I am working for Mr. Crotts.

Mr. Knouse: Are you to direct the work?

Mr. Boone: No. He will direct the work. Mr. Mittendorf's letter of July 14th states that August 16 will be the deadline. Mr. Crotts asked me to call you and rather he asked me to write a letter requesting that you return the contract for execution.

Mr. Anderson: Mr. Knouse do you think we should have a letter from Mr. Crotts confirming this telephone call.

Mr. Knouse: I would suggest that Mr. Crotts send us a letter requesting the return of the contract for execution and we will send the contract to our Regional Office in Knoxville and that office will return the contract with instructions to Mr. Crotts.

Mr. Boone: I will ask Mr. Crotts to write you a letter requesting the return of the contract for execution.

July 27, 1955

Mr. Anderson calling Mr. R. A. Laurence, Knoxville, Tenn.

Re: Docket No. DMEA-3755 - Mica
W. C. Crotts
W. C. Crotts Mica Mine
Cleveland County, North Carolina

Mr. Anderson: Docket No. 3755.

Mr. Laurence: I thought that one was dead.

Mr. Anderson: We wrote him a letter and we have not had an answer but he has written his Senator. We are backing you fellows up.

Mr. Laurence: He wanted to do some other things. We are convinced that Rex Boone made those changes and we would not give or recommend a contract for Rex Boone if he had a bonanza. In fact Rex Boone signed for him to I think. There is a little "B" after W. C. Crotts' name and it doesnt look like Crotts' hand writing.

Mr. Anderson: I have explained $40 a foot for a shallow shaft and $30 for drifting are comparable with other jobs in the area. We say: "We feel they are fair and appropriate in your case. Consequently we are not disposed to comply with your request for revision of the proposed contract." We gave him until August 16 to decide. Is there anything about the formation that would make shaft sinking and drifting more costly?

Mr. Laurence: The Boys (Teague and Shirley) say there is nothing unusual there.

Mr. Anderson: We will wait and see.

COPY IN L. REX BOONE FILE
DOCKET NO. 3136
8/19/55

WCAnderson:gad 7/27/55

Copy to: Admr. R. File
Docket
Division

JUL 2 6 1955

Mr. Robert W. Redwine
Professional Staff, Committee on
Interior and Insular Affairs
United States Senate
Washington 25, D. C.

My dear Mr. Redwine:

Reference is made to our telephone calls of July 19 and July 21, your letter of July 19, and Mr. W. C. Crotts' letter of July 12, addressed to the Honorable W. Kerr Scott, enclosed with your letter. These communications concern a proposed exploration project contract (Docket No. DM-A-3755, Cleveland County, North Carolina) which was sent to Mr. Crotts for signature and returned by him with the request that various changes be made.

On July 14, 1955, a letter was written to Mr. Crotts concerning this question, and a copy of this letter together with Mr. Crotts' letter to the Senator is enclosed. Further action on this question will be deferred until we hear from Mr. Crotts.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosures 2

WCAndersen:FLKnouse:gad 7/25/55
Copy to: Admr. R. File
Files
Field Team, Region V
Mr. Dietrich, 3061
Mr. Kiilsgaard, 5222
Mr. Houk
Mr. Andersen

United States Senate

Committee on
Interior and insular affairs

July 19, 1955

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

Dear Mr. Mittendorf:

In reference to our telephone conversation of this morning, I am enclosing letter from Mr. W. C. Crotts addressed to Senator W. Kerr Scott regarding DMEA-3755 and would appreciate your advising me informally as to the situation.

I greatly appreciate your cooperation in this matter.

With best regards.

Sincerely,

/s/ Robert W. Rodwine

Robert W. Rodwine
Professional Staff

Attachment

Route 4, Shelby, N. C.,
July 12, 1955.

Hon. W. Kerr Scott,
United States Senator,
Senate Office Building,
Washington 25, D. C.

Dear Senator: Re: DMZ-3755. (Mica).

The above number is Docket Number of an application for Governmental assistance in the prosecution of a proposed exploration project in an effort to establish a commercially or economically important deposit of mica.

About thirty (30) days ago I returned the original contract on the proposed project, unsigned, to the Knoxville office of Defense Minerals Exploration Administration, with certain recommended or suggested changes, that are reasonable and in accordance with other contracts that have been negotiated in this area on the exploration for mica. In fact, with the Government's contribution of only 75% of the cost of such exploration projects now as compared with such projects about 2 years ago which qualified for governmental contribution of 90%, the proposed expenditure is 15% under those contracts of 2 years ago, including the suggested changes in the returned documents. The Executive Officer of the Knoxville Office, Mr. Robt, A. Laurence, in acknowledging receipt of the returned document, stated he could not recommend the changes as outlined, but such changes, if any desired, were asked for in the original transmittal. It seems to me this is a statement of policy rather than prosecution of operational procedures, which policy I feel should be passed upon by Washington authorities.

Inasmuch as the property is mine, I feel I know most what I wish to do with it, and in the event you or someone of your staff has time, I should appreciate your contacting Mr. Mittendorf's office in order to learn from his office just what, if any decision will be forthcoming from him, either favoring or rejecting the application and suggested changes.

With all good wishes, I am

Yours very truly,

/s/ W. C. Crotts.

600

JUL 14 1955

Mr. W. C. Crotts
Route 4
Shelby, North Carolina

Re: Docket No. DMEA-3755 - Mica
W. C. Crotts
W. C. Crotts Mica Mine
Cleveland County, North Carolina

Dear Mr. Crotts:

This responds to your letter of June 14, 1955, addressed to Robert A. Laurence, Executive Officer, DMEA Field Team, Region V, returning the proposed contract unsigned, and submitting various changes for consideration.

Your proposed revisions of the contract have been given careful consideration. Please be advised that the costs and other stipulations as written in the contract are comparable to those of similar exploration projects in the area. We feel they are fair and appropriate in your case. Consequently, we are not disposed to comply with your request for revision of the proposed contract.

Should you desire to reconsider and sign the contract, we will return it to you for execution. If we do not hear from you by August 16, 1955, we will assume you have no further interest in obtaining Government assistance to explore the subject property and will consider the matter closed.

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson& FLKnouse:pk 7/12/55
Copy to: Admr. R. File
Docket
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Open Conc.

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

RECEIVED
JUN 29 1955

June 16, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team, DMEA - Region 5, Knoxville, Tenn.

Subject: Returned Contract, DMEA-3755 (mica) W. C. Crotts, Shelby, North Carolina

Enclosed are all copies of the subject contract, returned unsigned by the applicant, together with 2 copies of his letter suggesting changes.

The suggested changes are completely unreasonable, and unsupported by any factual data. We emphatically recommend rejection of the proposed changes and withdrawal of the application.

At the time of the field examination, Mr. L. Rex Boone accompanied the applicant. Mr. Teague asked Mr. Crotts if Boone was connected with the proposal in any way. Crotts replied that he was not. Neverthe less, we strongly suspect, for a number of reasons, that L. Rex Boone wrote this letter. Note that it is signed by "b" for the applicant, and was "dictated" by "c" to "b". As you well know, our previous experience with Boone was such that we would not touch anything he is even remotely connected with. In this case, Crotts appears to be a "front" and if a contract is approved, Boone would probably be doing the work. Two previous unhappy experiences with Boone are enough for us.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

RAL/xm
cc:
Lynch Shirley- Files

COPY IN L. REX BOONE FILE DOCKET NO.3136
8/19/55

C O P Y

Route 4, Shelby, N. C.
June 14, 1955

RECEIVED
JUN 20 1955

Mr. Robert A. Laurence
Executive Officer,
DMEA Region V
Room 13, P.O. Bldg.
Knoxville, Tenn.

Dear Mr. Laurence:

Re: DMEA-3755, Idm-E807 (mica)
Crotts Prospect, Cleveland
County, North Carolina

Reference is made to your letter of June 8, 1955, and the above contract, which was attached thereto.

I am returning all copies of the contract, unsigned, with suggested changes outlined following, and as otherwise indicated on one of the copies of Exhibit "A" attached next hereto.

Stage I: By use of a bulldozer and/or other heavy mechanized equipment, such as Dragline, Clamshell, Backhoe, etc., cut a trench along the strike of the pegmatite, the dimensions of which shall be 100 ft. long, 25 feet wide, and not less than 5 feet in depth. Provided however, that in the event such terrain or subsurface formations shall be encountered in such excavation that would not permit, or would halt or hinder a continuous stripping operation, then a maximum time limit for use or employment of such heavy equipment to which the Government's contribution would apply, would not exceed a total elapsed time of 15 hours, regardless of whether the dimensional specifications have been accomplished, and provided further, that in the event such trench as specified herein is completed within or before the expiration of the time limit of 15 hours as set out herein, any remaining or unused portion of the 15-hour period shall be used to the best interest of both the Government and the Operator, in an effort to establish the greatest reserve of minerals for which the project is prosecuted.

Stage II: Item 1, approved as is. Item 2: "It is proposed to sink a vertical shaft on the pegmatite at surface, to be timbered as necessary, and would prefer to use timber cut 5 ft. and 7 ft. long respectively, notched half the width of each end of each board at least 2 inches in from each end, the matched timbers to be equal width." This suggestion is made because a 12-ft. board is standard length with lumber companies, and a requirement for timbers of greater length would necessitate a loss of about 16% in waste.

Item 3: "From the shaft, explore the pegmatite by driving a maximum of 60 feet of approximately level drifts and/or crosscuts, to be timbered as necessary.

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

Under "fixed Unit Costs" the suggested changes have been outlined, and particular reference is made to shafting and drifting, with particular emphasis on drifting. It is the opinion of the applicant that the cost of handling and removing dirt or rock from drifts will exceed that of removal of the same quantity of material from a vertical shaft. For that reason, and the possible double handling and lost time involved in tunnel work, the cost will equal or exceed that of shafting. Therefore, it is suggested that the "per foot" costs of shafting and drifting be equalized.

Likewise, it is the applicant's opinion that the "per foot" unit costs as outlined in your Exhibit "A", and in the paragraph immediately preceding this as suggested by the applicant, will not provide sufficient funds for the excavation, machinery and equipment rental, power and supplies, including timbering, and to meet the Government's contribution proposed for the operation of said project. It is therefore suggested that an additional sum of $10.00 per foot be established for timbering both shaft and drift or drifts as specified in Stage II hereof.

ALTERNATE, STAGE I)Preferable)

By use of a bulldozer and/or other heavy mechanized equipment, such as dragline, clamshell, backhoe, etc., a total of 15 hours toward construction of a trench, the dimensions of which shall be 85 ft. long, 10 feet wide, and 15 ft. deep. Provided, however, that in the event such trench as specified herein is completed within or before the expiration of the time limit of 15 hours as set out herein, any remaining or unused portion of the 15-hour period shall be used to the best interest of both the Government and the Operator in an effort to establish the greatest reserve of minerals for which the project is prosecuted.

Alternate, Stage I provides for the removal of approximately 10 C. Y. of earthen material more than would be removed in the execution of Stage I/ At the same time, approximately 10 feet more depth-face would be exposed under Alternate, Stage I. This Alternate, Stage I is preferred over the wide, long, shallow trench as provided in Stage I.

Trusting the suggestions meet with your approval, I am

Very truly yours,

s/s W. C. CROTTS, Applicant

c/b

COPIED by ZM.
cc:
Opr. Com.-2, Lynch, Shirley

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 1051 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 16, 1955

RECEIVED
JUN 20 1955

Mr. W. C. Crotts
Route # 4
Shelby, N. C.

Re: DMEA-3755 (mica)
Crotts Prospect
Cleveland County, N. C.

Dear Mr. Crotts:

Your letter of June 14, returning the unsigned contract has been received and given due consideration by our staff here. I am forwarding it to Washington, as this office does not have the authority to change a contract.

However, I cannot recommend the approval of these changes. There is not sufficient justification for such large increases in the unit costs and total costs, which are way out of line with other comparable jobs we have had in North Carolina.

Very truly yours,

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

RAL/mm
Cpr. Cour-2
Lynch
Shirley
File

June 15, 1955

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Subordination Agreement--Docket No. DMEM-3755 - Mica
W. C. Cretts
W. C. Cretts Mine
Cleveland County, North Carolina
Contract Idm E 807

According to the Field Team report of April 19, 1955, there is a lien on the subject property for $300.00. The Field Team notes that the lien is against 100 acres owned by the Applicant of which only 3 acres are to be devoted to the project, and for such a small amount does not think a Subordination Agreement is needed.

The Nonmetallic Minerals Division concurs with the Field Team and recommends waiving the Subordination Agreement.

W. C. Anderson
Nonmetallic Minerals Division

WCAnderson:pk 6/15/55
Copy to: Docket
Adm. R. File
Mr. Houk

600

JUN - 6 1955

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

Subject: Docket No. DMEA-3755 - Mica
W. C. Crotts
W. C. Crotts Mine
Cleveland County, North Carolina

Dear Mr. Lawrence:

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

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

Please fill in the starting date in Article 3 before the contract is signed by the Operator.

After execution of the contract, the copies are to be distributed in the usual manner. Copies of memoranda from E. L. Newcomb of the Geological Survey, dated May 9, 1955, and from W. F. Dietrich of the Bureau of Mines, dated May 16, 1955, are enclosed.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

J. H. Hedges
Member, Bureau of Mines

Thor H. Kiilsgaard
Member, Geological Survey

Enclosures 10

WCAnderson:gad 5/31/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

MAY 27 1955.

Memorandum

To: The Administrator, DMEA

Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3755, W. C. Crotts, Mica

As requested in Mr. Houk's reference slip dated May 12 we have prepared the attached proposed contract.

It will be noted that there is a $300 lien against 100 acres owned by the Operator of which only 3 acres are to be devoted to the project. We suggest that this seems to be a proper case for waiving the Subordination Agreement, and the contract form so indicates.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

HCRubin/emd

Copy to: DMEA Docket
Solicitor's Docket
L. G. Houk (2)
J. L. Hofflund
H. C. Rubin
chron.

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

MAY 27 1955.

Memorandum

To: The Administrator, DMEA

Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3755, W. C. Crotts, Mica

As requested in Mr. Houk's reference slip dated May 12 we have prepared the attached proposed contract.

It will be noted that there is a $300 lien against 100 acres owned by the Operator of which only 3 acres are to be devoted to the project. We suggest that this seems to be a proper case for waiving the Subordination Agreement, and the contract form so indicates.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1055 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

Department of the Interior
Defense Minerals Administration
RECEIVED
MAY 2 - 1955

April 28, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region 5, Knoxville, Tennessee

Subject: Field Examination Report, DMEA-3755 (mica) W. C. Crotts, Shelby, N. C. W. C. Crotts Mine, Cleveland County, N.C.

Enclosed are four copies of the subject exploration examination, and six extra copies of the map. We agree with the recommendation for a two-stage contract as outlined in the report.

It is noted that L. Rex Boone accompanied the applicant on the inspection, but apparently does not have an interest in the application. Mr. Crotts is a farmer, and will have to hire the mining work done. We would not want to see Boone hired for this work. Our past experience with Boone does not recommend him.

If competent labor is hired for this job, it might be a good one for an actual-cost contract, as discussed with Mr. Houk.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch,
Member, Bureau of Mines

RAL/xm
cc:
Lynch
Shirley
Files

COPY IN L. REX BOONE FILE DOCKET NO. 3136
8/19/55

MAY 2 - 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM, REGION V

On

DMEA-3755, W. C. CROTTS MINE (mica)
Cleveland County, N. C.

By

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

and

V. J. Lynch, Mining Engineer
U. S. Bureau of Mines

April 19, 1955

FIELD EXAMINATION REPORT
ON THE

W. C. CROTTS MINE - DMEA-3755 (mica)

Applicant: W. C. Crotts, Route #4, Shelby, North Carolina

Only a small amount of work has been done at this prospect. The limited stripping and 15-foot pit resulted in the recovery of about 3000 pounds of book mica. Whether or not additional reserves exist is not known. The examiners believe that exploration assistance is warranted - to be conducted in stages.

The deposit was examined on April 19, 1955. Messrs W. C. Crotts and Son and L. Rex Boone, accompanied the examiners on the inspection which required two hours.

The W. C. Crotts Mine is 9.25 airline miles N. 55° W. of Shelby, Cleveland County, North Carolina. The deposit is on the southwest side of the Shelby-Newhouse road, about two miles southeast of Newhouse. Access is good at all times.

The applicant owns this property, which has an area of 100 acres. For the purpose of this application, he includes a three acre tract. This tract is a square having an area of three acres with the 15-foot pit at the deposit as the center. This pit is 250 feet due south of the north line of the farm. This line has an east-west trend. The three acre tract is adequate for the proposed project. The examiners understand that the lien referred to in the application is for $300. For such a small amount, and as it is on the entire 100 acres, we do not think a Subordination Agreement would be needed.

During the fall of 1954, a small amount of stripping was done at this place. A 15-foot pit was sunk on a pegmatite exposed by the stripping. It is reported that approximately 3000 lbs. of "run-of-mine" block mica was recovered from this work. It was sold for about $1900. Subsequent trenching in the footwall failed to expose pegmatite, but fill from the last work covered the earlier exposure. Therefore, no pegmatite is at present exposed.

Pegmatite material in the dump consists of weathered feldspathic pegmatite and blocks of quartz up to 18 inches across. Mica is relatively abundant. As the pegmatite is covered, its trend and dip cannot be determined; however, the mica-sillimonite-garnet schist wall rock trends N. 50° W. and dips 45° SW. This may also be the trend of the pegmatite. The applicant reports, that when the pegmatite was first exposed in the stripping and pit, it had a thickness of about 3-4 feet.

The examiners saw some of the mica that was obtained during 1954. This was of excellent quality. It was ruby-colored, hard, flat, clear and free splitting. Both "A" and flat mica are present in the deposit. Blocks up to 20 inches across were obtained.

The examiners believe that exploration assistance on this deposit is warranted. We recommend that if a contract is prepared that it be set up in stages. Stage I, should consist of cutting a trench 100 feet long, 25 feet wide to a depth of 5 feet along the strike of the pegmatite, probably in a northwest direction. If results from Stage I are satisfactory, Stage II should consist of sinking a 40-foot shaft, probably inclined, on the pegmatite and driving 60 feet of level.

Estimated Cost:

Stage I

Bulldozer (D-8 or equivalent) 15 hrs @ $15/hr,		$225.00

Stage II

Sink 40-foot incline shaft (20 shifts		
Powder magazine &		
Exploder magazine		38.00
Labor:		
1 - Miner @ $1.50/hr.	$240.00	
1 - Hoistman @ $1.25/hr.	200.00	
1 - Laborer @ $1.00/hr.	160.00	
Equipment (rental):		
Compressor, drill and pump, @ $240/Mo.	240.00	
Hoist @ $50/Mo.	50.00	
Supplies:		
Explosives	100.00	
Gasoline and oil	100.00	
Timber, 3000 b.f. @ $60/M	180.00	
Drill steel	75.00	
Small tools	75.00	
Miscellaneous	75.00	
Insurance & Social Sec.	105.00	$ 1,600.00
		$40.00/ft

Drive 60 feet of drift (25 shifts)

Labor:		
1 - Miner @ $1.50/hr,	300.00	
1 - Hoistman @ $1.25/hr,	250.00	
2 - Laborers @ $100/hr.	400.00	

Equipment (rental)

Compressor, drill, jackleg and pump @ $250/Mo.	$312.50	
Hoist @ $50/Mo.	62.50	
Supplies:		
Explosives	150.00	
Gasoline and oil	100.00	
Timber, 1000 b.f. @ $60/M	60.00	
Drill steel	50.00	
Small tools	50.00	
Miscellaneous	15.00	
Insurance & Social Security	50.00	$ 1,800.00
Estimated Total Cost.....		$3,663.00

$30.00/ft.

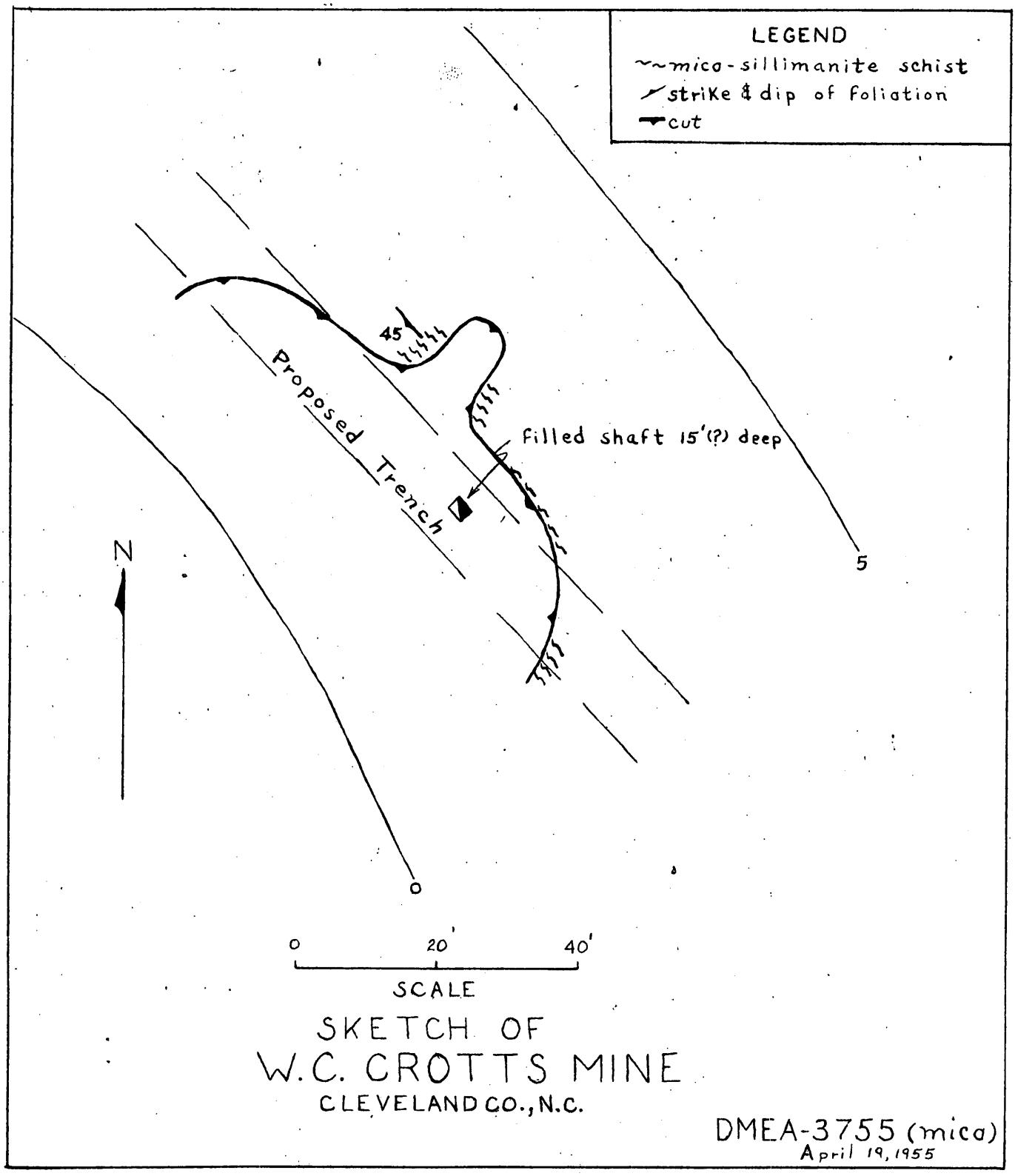
April 19, 1955.

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

and

V. J. Lynch, Mining Engineer
U. S. Bureau of Mines

z



SKETCH OF
W.C. CROTTS MINE
CLEVELAND CO., N.C.

DMEA-3755 (mica)
April 19, 1955

APR 22 1955

Mr. W. C. Crotts
Route 4
Shelby, North Carolina

Re: Docket No. DMEA-3755 - Mica
W. C. Crotts
W. C. Crotts Mica Mine
Cleveland County, North Carolina

Dear Mr. Crotts:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Lawrence, Executive Officer, DMEA Field Team, Region V, Room 13, Post Office Building, Knoxville 2, Tennessee, for further consideration and possibly a field examination.

Your application lacks an adequate description of the land you wish to have explored. An adequate legal description is one that gives the bearings and distances of the lines which enclose the property. The property must be referenced to a permanent and identifiable landmark, natural or artificial, as the center of a shaft, adit, building, benchmark, etc.

You suggest in your application that there may be some liens against the land. Please explain, and list these liens. If existing liens on your property are not retired it will be necessary that the mortgagors sign subordination agreements to give priority to the Government's claims on payments from production resulting from exploration work.

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 4/22/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V

Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Hauk

600

APR 25 1955

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

Subject: Docket No. DMEA-3755 - Miss W. C. Crotts
W. C. Crotts Mica Mine
Cleveland County, North Carolina

Dear Mr. Lawrence:

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

Copies of memoranda from W. F. Dietrich of the Bureau of Mines, dated April 13, 1955, and from T. H. Kiilsgaard of the Geological Survey, dated April 19, 1955, are enclosed for your information.

Please note the comments by Mr. Kiilsgaard. We agree that the applicant's estimate of costs of proposed exploration work are high and that the three acre block of ground may not be large enough to support an exploration project.

Sincerely yours,

George E. Kellogg

Chairman, Operating Committee

Approved:

J. H. Hedges

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

Enclosures 4

WCAnderson:gad 4/22/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

[redacted]

IN REPLY REFER TO:

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 20 1955

April 19, 1955

Memorandum

To: Mr. L. G. Hook, Chief, Nonmetallic Minerals Division, Defense Minerals Exploration Administration

From: T. N. Kiilsgaard, U. S. Geological Survey

Subject: Review of application submitted by W. C. Crotts, Shelby, N. C., DMEA Docket 3755 (mica).

The applicant has applied for an exploration project, the estimated cost of which is $5,095.00. This money is to be spent in bulldozing 3 50-foot trenches across the strike of a pegmatite, and a 20-foot shaft which is to be sunk from one of the trenches. The work would explore a pegmatite prospected briefly in the fall of 1954, and which is reported to have produced approximately 3000 pounds of block mica.

We have no information in our files on this property; therefore, it is recommended that the application be sent to the field for further study.

A point that should be called to the field examiners attention is that only 3 acres are to be subjugated to terms of the contract. This block of ground would appear to be inadequate in size. Also, it is suggested that there may be some liens against the land.

The costs of the proposed work also appear to be out of line. It should not take 150 hours of bulldozing to complete 3 50-foot trenches, particularly in the deeply weathered rock that underlies the Shelby area. Further, the estimate of $[illegible]5 needed to sink 20 feet of shaft is unreasonable.

TNKiilsgaard:hlm
G-4/19/55

T. N. Kiilsgaard

Copy to: Director's reading, 4212
Branch reading, 4212
DMEA (3)
Docket file
W. F. Dietrich, 3061 Interior

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

Defense Minerals Administration
RECEIVED

April 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3755 (mica)

Applicant: W. C. Crotts

Name and Location of Property: W. C. Crotts Mica Mine
Cleveland County, North Carolina

Date Application Rec'd. by Br. of Ceram. & Fert. Mat.: April 6, 1955

Comments:

1. This mine has produced sheet mica.

2. From the limited information presented, it is difficult to determine if an exploration program is justified or if the proposed plan would be the best method of exploring this property.

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

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

MAY 27 1955

Memorandum

To: The Administrator, DMEA

Attention: Mr. L. G. Houk

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-3755, W. C. Crotts, Mica

As requested in Mr. Houk's reference slip dated May 12 we have prepared the attached proposed contract.

It will be noted that there is a $300 lien against 100 acres owned by the Operator of which only 3 acres are to be devoted to the project. We suggest that this seems to be a proper case for waiving the Subordination Agreement, and the contract form so indicates.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

HCRubin/emd

Copy to: DMEA Docket
Solicitor's Docket
L. G. Houk (2)
J. L. Hofflund
H. C. Rubin
chron.

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

May 16, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-3755 (mica)

Applicant: W. C. Crotts

Name and Location of Property: W. C. Crotts Mine
Cleveland County, North Carolina

Date of Field Team Report: April 28, 1955

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5-6-55

Field Team Recommendation:

1. Approval of contract.

Comments:

1. Mica is relatively abundant in dump material.
2. No pegmatite dike is exposed but field examiners are of the opinion that the pegmatite exists.
3. Project is proposed to be set up in two stages.

Recommendation:

I concur in the field team recommendation for a project in the amount of $3,663.

Signed

W. F. Dietrich

IN REPLY REFER TO:

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

May 9, 1955

Re: DMMA-3755
W. C. Crotts
(W. C. Crotts Mine)
Cleveland Co., N. C.
53,063 - Mica

Memorandum

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

From: E. L. Newcomb, U. S. Geological Survey

Subject: Review of Field Team examination report

The Field Team has recommended a two stage project for approval.

Stage I -- 15 hours -- bulldozing
Stage II -- 40 foot incline and 60 feet of drift

Limited work near the surface has resulted in production of 3,000 pounds of mica. Although quantity of remaining reserves is unknown, the abundance of mica in the dump material indicates some further exploration is justified.

The length and thickness of the pegmatite cannot be determined from present exposures. Preliminary trenching should disclose evidence required to justify the proposed underground exploration.

I concur with the Field Team's conclusions and recommend a two-stage program be approved for a contract.

E. L. Newcomb

ELNewcomb:blm
G-5/9/55

Copy to: Director's reading, 4212
Branch reading, 4212
DMMA (3)
Docket file
W. F. Dietrich, 3061 Interior