DMEA 4002

DOCKET INDEX

ACTION DOCUMENTS

1. APPLICATION DATE RECEIVED 10-3-55

2. CONTRACT DATE 2-14-56

3. TERMINATION AGREEMENT: DATE

   a. Mutual (with/without repayment provision).
   b. Unilateral.
   c. Amendment with automatic termination clause and with/without repayment provision.

4. CERTIFICATION DATE

5. AUDIT REPORT DATE

6. AMENDMENTS - NUMBERS DATE

Docket Copy

RECEIVED

FEB 23 1956

MF-200A
(Revised June 1954)

Docket No. DMEA 4002

Commodity Mica

Contract No. Idm-E 918

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

It is agreed this FEB 14 1956 day of ....., 195...., between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] The Ferguson Mine Company, a partnership consisting of Harry Moses, Ray Franklin and Dale Carter, whose mailing address is C/o Harry Moses Route #5, Franklin, 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 map

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 Macon, and is described in Annex I.[3]

(b) The Operator represents and undertakes that:

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

(2) The Operator's right, title, or interest (whether as owner, lessee, or otherwise) is subject only to the following claims, liens, or encumbrances: Royalty (12½% of gross returns) as specified in Operator's lease.

(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: Owners' Consent to Lien

[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 Strategic Mica. The work to be performed is described in Exhibit "A." The Operator on or before MAR 31 1958 shall commence the work, and on or before July 31, 1956 (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 $4,832.00. The Government will contribute 75 percent of the fixed unit costs as work is performed, in a total sum not in excess of $3,624.00: *Provided,* That until the Operator has rendered to the Government his final report, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of 10 percent of the estimated total cost of the work. The Government will make its contribution on the basis of the monthly vouchers referred to in Article 6(b), but all payments by the Government are provisional only, subject to audit, until the account between the Operator and the Government is finally audited and settled. To the extent that excesses over fixed unit costs or any excess over the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such excesses for his own account without contribution by the Government. The Government may make payments directly to independent contractors and suppliers for the account of the Operator rather than to the Operator.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 11. *Changes and added provisions.*—

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By O D Mitchell

Administrator, Defense Minerals Exploration Administration

Indirectly 1/30/56

"Appd. Sol. Off."

THE FERGUSON MINE COMPANY
(Operator)

By Harry Moses (Partner)

By Ray Franklin (Partner)

By Dale Carter (Partner)

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]

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

EXPLORATION PROJECT CONTRACT
THE FERGUSON MINE COMPANY
A Partnership Consisting of
Harry Moses, Ray Franklin and Dale Carter
DOCKET NO. DMRA-4002

ANNEX I

The land referred to in Article 2 of the Contract is described as follows:

All that part of the John C. Ferguson Farm lying to the West side of Cat Creek, described in a deed from John C. Ferguson, widower, to Charles Ferguson and wife, Reta Ferguson, dated November 12, 1951, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book B-6, at page 36. The tract herein leased is described in particular as follows:

BEGINNING at 6 inch sourwood corner, thence N. 25°W. 204 feet to a stake in South boundary line of tract being leased; thence East 132 feet a stake the S. E. corner of lease tract; thence North 500 feet a stake on N. side of ridge; thence West 500 feet to a stake on hillside; thence South 390 feet a stake in old line; thence with old line S. 56 degrees E. 200 feet a stake; thence East 200 feet to BEGINNING. Corner of leased tract. This corner is in line from sourwood corner to mine shaft which bears N. 25 W. 483 feet from said sourwood corner. Containing 5.5 acres, be the same, more or less.

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

RECEIVED
DEC 15 1955

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Macon State of North Carolina, described as follows:1/ All that part of the John G. Ferguson Farm lying to the West side of Cat Creek, described in a deed from John G. Ferguson, Widower, to Charles Ferguson and wife Nita Ferguson, dated November 12, 1951, and recorded in the office of the Register of Deeds for Macon County, North Carolina in Deed Book B-6, at page 36. The Tract herein leased is described in particular as follows: Beginning at a 6" Sourwood Corner, thence N 25 W 204 feet to a stake in South boundary line of tract being leased; thence E. 132 feet a stake the south east corner of lease tract; thence North 500 feet to a stake on E. side of ridge; thence West 500 feet to a stake on hillside; thence S. (Continued on reverse side),

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby—

1. Undertakes and agrees that property in which the Government may acquire an interest or equity under the contract may be dismantled, severed from the land, and removed, as may be provided in the contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease [or contract, deed, or other document] dated November 4, 1958, and recorded in book B-6 page 36 official records of said county." If (b) is used, the book and page of recordation cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

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

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: 390 feet to a stake in old line; thence with old line S. 50 deg. E. 200 feet to a stake; thence West 200 feet to BEGINNING. Corner of leased tract. This corner is in line from courtood corner to pine shaft which bears N. 25 W. 483 feet from courtood corner. Containing 3.9 acres, be the same, more or less.

Dated this 4th day of November, 1955.

John C Ferguson [Seal]

Charles J. Ferguson [Seal]

Rita C Ferguson [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____

[Corporate Seal]

EXPLORATION PROJECT CONTRACT
THE FERGUSON MINE COMPANY
A Partnership Consisting of
Harry Moses, Ray Franklin and Dale Carter
DOCKET NO. DMEA-4002

Exhibit "A"

Description of the Work

The approximate location of the work is shown on the map entitled "Ferguson Mine DMEA-4002 (Mica)" attached hereto and made a part hereof.

The work consists of the following:

1. Construct:

(a) A toolhouse, minimum dimensions 7 feet by 8 feet by 10 feet.
(b) A powder storage magazine, minimum dimensions 4 feet by 3 feet by 2½ feet.
(c) An exploder storage magazine, minimum dimensions 2 feet by 1½ feet by 1 foot.

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

The powder and exploder magazines shall be boxed on all sides, shall be made from 2-inch hardwood or 3-inch softwood 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. Recondition and enlarge existing 25-foot shaft to two compartments, the shaft to have minimum overall cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

3. Sink shaft an additional 35 feet.

4. From the shaft drive 80 feet of drift and/or crosscut having minimum cross-sectional dimensions of 5 feet by 7 feet in the clear of timber.

All work shall be timbered as necessary.

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

Fixed Unit Costs

1. Construct:

Toolhouse	$ 76.00
Powder Magazine	86.00
Exploder Magazine	15.00

2. Recondition and enlarge shaft

25 feet @ $24.40/ft.	610.00

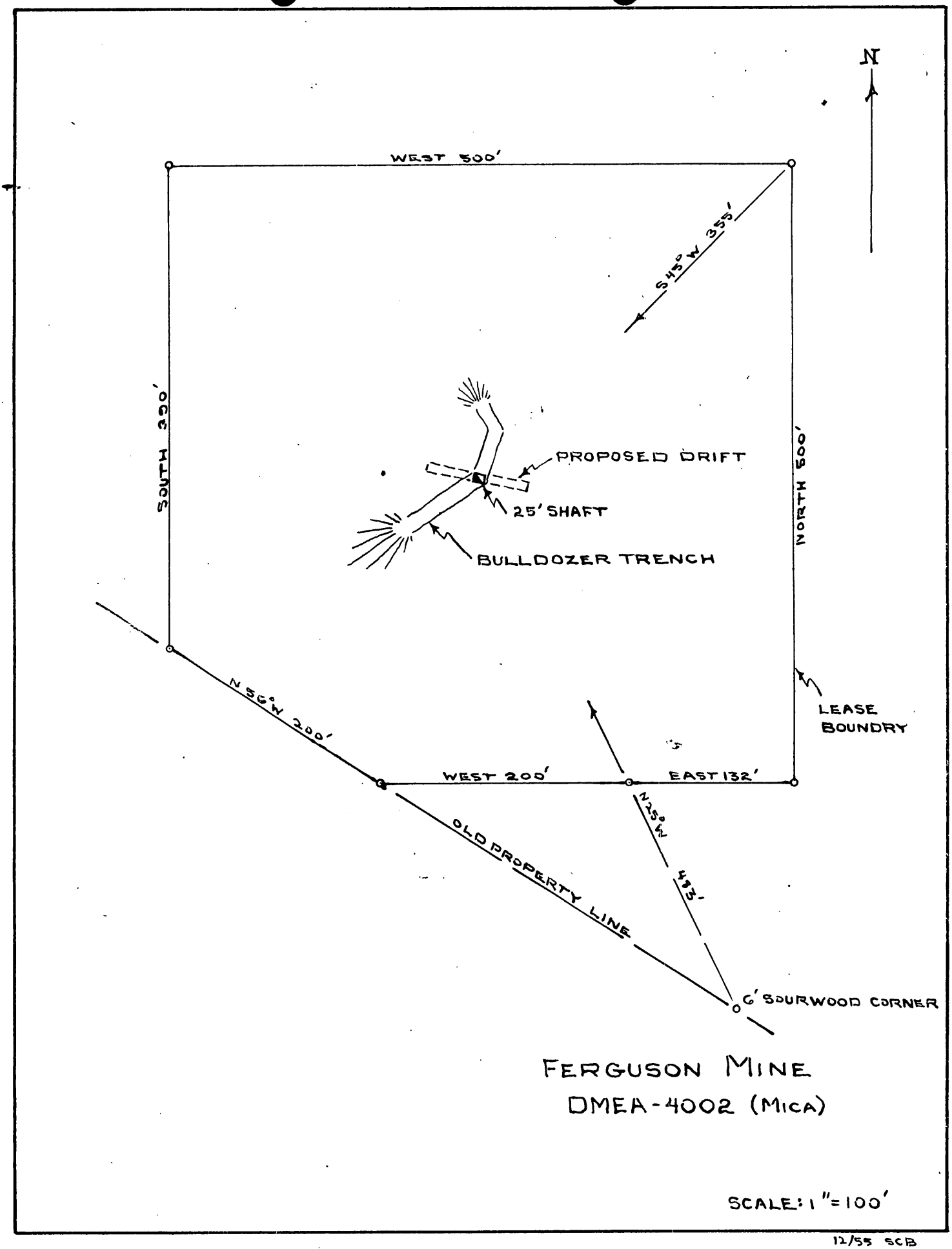
3. Shaft sinking

35 feet @ $43.00/ft.	1,505.00

4. Drifting

80 feet @ $32.50/ft.	2,600.00

Estimated Total Cost of Project	$4,812.00
Government Participation @ 75%	$3,604.00


N
WEST 500'
S45° W 355'
SOUTH 330'
NORTH 500'
PROPOSED DRIFT
25' SHAFT
BULLDOZER TRENCH
N 56° W 200'
LEASE BOUNDRY
WEST 200'
EAST 132'
N 25° W
433'
OLD PROPERTY LINE
6" SOURWOOD CORNER
FERGUSON MINE
DMEA-4002 (MICA)
SCALE: 1" = 100'

12/55 SCB

Operating Comm.

OFFICIAL FILE COPY
DMEA
RECEIVED APR 3 1957

DATE	INITIALS	CODE
4/3	C	220
4/3	[illegible]	800
		225

April 1, 1957

Miss Rita C. Ferguson
Route 4
Franklin, North Carolina

Re: Docket No. DMEA-4002 - Mica
The Ferguson Mine Company
The Ferguson Mine
Macon County, North Carolina
Contract Idm-E918

Dear Miss Ferguson:

Reference is made to the Consent to Lien which you executed in connection with the DMEA contract for an exploration project on your property located in Macon County, North Carolina.

For your information, there is enclosed a copy of our letter of March 21, 1957, to The Ferguson Mine Company, advising that the Government retains no claim or lien against the property described in the contract or any future production therefrom.

Very truly yours,

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

RAL/mg
Enclosure
cc
Operating Committee (3)
Lynch
Shirley
Files

Transmitting copy

OFFICIAL FILE COPY
DMEA
RECEIVED APR 3 1957

DATE	INITIALS	CODE
4/3	C	220
4/9	[illegible]	800
		225

April 1, 1957

Mr. John C. Ferguson
Route 5
Franklin, North Carolina

Re: Docket No. DMEA-4002 - Mica
The Ferguson Mine Company
The Ferguson Mine
Macon County, North Carolina
Contract No. Idm-E918

Dear Mr. Ferguson:

Reference is made to the Consent to Lien which you executed in connection with the DMEA contract for an exploration project on your property located in Macon County, North Carolina.

For your information, there is enclosed a copy of our letter of March 21, 1957, to The Ferguson Mine Company, advising that the Government retains no claim or lien against the property described in the contract or any future production therefrom.

Very truly yours,

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

RAL/mg
Enclosure
cc
Operating Committee (3)
Lynch
Shirley
Files

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Anderson	600
3/19	Hoover	600
3-19	Chamberlain	800
3/20	Selfridge	130
"	Johnson	110
"	Stettendorf	100
3/23	C	220
		225

600

MAR 21 1957

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

Re: Docket No. DMEA-4002-mlcs
The Ferguson Mine Company
Harry Moses, Ray Franklin,
and Dale Carter
The Ferguson Mine
Macon County, North Carolina
Contract No. Ids-2918

Dear Mr. Laurence:

We are enclosing three copies of our closing letter on the subject contract to be forwarded to Messrs. John C. Ferguson, Charles J. Ferguson and Miss Rita C. Ferguson, who executed a Consent to Lien on the property, November 4, 1955.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

Approved:

Frank D. Lamb

Member, Bureau of Mines

Thor H. Kiilsgaard

Member, Geological Survey

WCAnderson:ms 3/18/57
Copy to: Docket
Admr.R. File
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Oper. Com

Enclosures: 3

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Anderson	600
3/19	Houk	600
3-19	Chambers	800
3/20	Selfridge	130
"	Johnson	110
"	Mittendorf	100
		220
		225

600

MAR 21 1957

The Ferguson Mine Company
c/o Mr. Harry Moses
Route #5
Franklin, North Carolina

Re: Docket No. DMEA-4302-nlcs
The Ferguson Mine Company
Harry Moses, Ray Franklin
and Dale Carter
The Ferguson Mine
Macon County, North Carolina
Contract No. 11a-1918

Gentlemen:

Reference is made to your completed 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

WCAnderson:ms 3/18/57
Copy to: Docket
Agmr. R. File
Mr. Chambers
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
John C. Ferguson (landowner)
Charles F. Ferguson " "
Rita C. Ferguson " "

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/19	Anderson	600
3/19	Hoch	600
		800
		120
		110
		100
		220
		225

600

March 15, 1957

Project Summary Report

By: Walter C. Anderson

1. Docket No. DMEA-4002-mica
Contract No. Idm-E918
Ferguson Mine
Macon County, North Carolina

Application: Form MF-103 (April, 1952), received October 3, 1955

Work proposed by applicant:
40 feet of shaft from bottom of existing shaft and
120 feet of drifts.
Amount requested $6,993.00

Operator: The Ferguson Mine Company, a partnership consisting of Harry Moses, Ray Franklin and Dale Carter,
c/o Harry Moses
Route #5
Franklin, North Carolina

Operator's Property Rights:
Five year lease on the Ferguson property covering 5.5 acres, dated September 7, 1955.
Consent to Lien of Owner dated November 4, 1955

2. Contract: Form MF-200A (June, 1954) dated February 14, 1956.

Work Authorized:

Construction - toolhouse, powder and exploder magazines	$ 117.00
Rehabilitation shaft - 25 feet @ $24.40/ft.	610.00
35 feet of shaft @ $43.00/ft.	1,505.00
80 feet of drifts @ $32.50/ft.	2,600.00
Estimated total cost of project	$4,832.00
Government participation @ 75%	$3,624.00

8623

Amendments:

none

Work Completed:

same as authorized

Work commenced February 20, 1956 and was completed on June 7, 1956.

Field Team Final Report received August 6, 1956.

Operator's Final Report dated June 7, 1956, received July 16, 1956.

Field Team estimate of mica produced during operation - $303.06

Field Team estimate of reserve - not significant

Royalties paid by Operator - $21.02, which represents $420.40 worth of mica.

It is assumed from the above analysis that no royalties are due the Government.

No equipment purchased under the contract.

3. Audit:

Report of review issued July 2, 1956

Total accepted cost	$4,832.00
Government contribution	$3,624.00

4. Certification of Discovery - none issued

5. Comments:

How conducted:

All of the work in which the Government participated was satisfactory.

Operation:

Good

Engineering:

Reporting by the Operator was satisfactory

Geological premise:

That the quality of mica observed in old workings, including a 25.5 foot shaft, would continue in depth and extent, did not materialize, as the mica recovered was of poor quality. In addition, the indicated reserves are negligible.

Geological criteria upon which work was based:

1. Pegmatite - vertical, 2½ to 5 feet thick with massive 2-foot quartz core, concordantly enclosed in highly weathered biotite gneiss.
2. Mica - fair-sized, flat, hard, ruby, mostly clear unstained.

Criteria developed during project:

1. Pegmatite - unzoned, conformably enclosed in biotite gneiss, 5 to 6 feet thick with 2-foot quartz core, exposed along strike by drifts for a length of 80 feet.
2. Mica - poor quality, bent, ruled and stained. Negligible reserves.

Future possibilities:

Because of poor quality of mica, future work would be uneconomical.

Recommendations:

The Nonmetallic Minerals Division and the Commodity Members of the Bureau of Mines and the Geological Survey concur in the Field Team's recommendation that the project should not be certified.

Walter C. Anderson

IN REPLY REFER TO:

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

RECEIVED
OCT 18 1956

October 17, 1956

Re: DMEA 4002, Idm-E918
The Ferguson Mine Co.
Ferguson Mine
Macon County, North Carolina
$4,832.00 - 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.

The contract approved the expenditure of $4,832.00 all of which was spent on rehabilitation of a 25-foot vertical shaft, extending the shaft 35 feet and driving 80 feet of crosscut and drifts.

In the course of the work in the zoned 5- to 6-foot pegmatite 2742.55 pounds of mica was recovered and sold for $233.06. Mica of an estimated value of $70.00 remains unsold.

Because no significant reserves of mica were indicated and the quality is low, the examiners and Field Team recommend that no certificate be issued.

I concur with that recommendation.

N. E. Nelson

N. E. Nelson

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

August 20, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4002 (mica)

Applicant: Ferguson Mine Co. (H. Moses)

Name and Location of Property: Ferguson Mine, Macon County, N. C.

Contract Number: Idm-E 918

Date of Field Team Report: 8/2/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/9/56

Field Team Recommendation: Recommend no certification of discovery.

Comments:

1. Mica recovered during exploration was mostly non-strategic quality.

2. Sufficient work has been done to indicate the pegmatite is not suitable for producing large quantities of strategic mica.

3. Expenditures -

Total approved	$4,832.00
Total cost	4,832.00
Gov't share of the cost	3,624.00
Value of production during operation	303.06

Recommendation:

I concur with the field team's recommendation for no certification of discovery.

W. F. Dietrich
W. F. Dietrich

RECEIVED
AUG 21 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1080 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
AUG - 6 1956

August 3, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Field Team Final Report, DMEA-4002, Idm-F918 (mica)
The Ferguson Mine Company, Franklin, N.C.
Ferguson Mine, Macon County, N. C.

Enclosed are four copies of the subject final report.

Certification is not recommended.

Robert A. Laurence
Executive Officer, DMEA
Region V

V. J. Lynch

V. J. Lynch, Member
DMEA Field Team, Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
8-10-56
(date)

RECEIVED
AUG - 6 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

On

DMTA-4002, Idm-E918 (mica) FERGUSON MINE
Macon County, North Carolina

By

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

and

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

August 2, 1956

Reviewed by
DMEA OPERATING COMMITTEE
8-10-56
(date)

EXPLORATION PROJECT

RECEIVED
AUG - 6 1956

FIELD TEAM FINAL REPORT, REGION V

On

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

Operator: The Ferguson Mine Company, c/o Harry Moses, R#5, Franklin, N.C.

Summary

About 2743 lbs. of "mine-run" block muscovite was recovered from 35-feet of new shaft (25 to 60 ft level) and 80 feet of drift and crosscut. Most was of non-strategic quality due to staining. No further exploration is warranted. It is recommended that the mine not be certified as a discovery.

Introduction

The Ferguson Mine is 0.75 miles west of Holly Springs Church (center of Corbin Knob, N.C. TVA Quad. 1/24,000) and 2.25 airline miles N 60° E of the town square of Franklin, N. C.

Previous work consisted of a curved trench 100 x 10 x 10 feet deep, a 25.5 foot deep untimbered shaft and several caved pits (see attached map).

Work performed under the contract consisted of building a toolhouse (8 x 10 x 7 ft high), powder and exploder magazines; enlarging and rehabilitating the existing 25-foot vertical shaft and sinking an additional 35 feet of shaft; and driving 80 feet of laterals from the 56-foot level of the shaft. The shaft was made 5 x 7 feet in cross section and was timbered with 2 x 6 inch oak timber. It was made safe by the installation of a solidly cribbed manway with staggered (12 ft intervals) ladders. The Operator built the shaft collar up and dumped muck around it in order to partially fill the trench. All lateral work was 5 x 7 feet in cross section and was not timbered.

The Operator completed the contract in a satisfactory and workmanlike manner. Ventilation problems forced installation of a blower.

No equipment was purchased by the Government under the contract.

Geology

Pegmatite and Country Rock:

Exposures in the cut show a conformable pegmatite 5 to 6 feet thick with a 2-foot thick quartz core. It strikes N 80° W and dips 72 to 82° to the northwest.

In the underground workings the pegmatite is about 5 feet thick, strikes N 80° E and dips 72 to 90° to the northwest. No definite quartz core exists at the 56-foot level, only occasional quartz stringers; however, the body is zoned having a quartz zone 2-inches thick along the contacts adjacent to a medium-to-coarse-grained plagioclase muscovite zone that grades inward to a fine-grained plagioclase-sericite-biotite-muscovite zone.

The pegmatite was traversed by a 12-foot crosscut that was driven in a N 40° W direction to the hanging wall from the 56-foot level of the shaft. From the head of the crosscut a drift was driven S 80° W along the hanging wall for 44 feet. Both contacts of the body were intersected at a point 20-feet from the crosscut and followed westward for 24 feet. A 24-foot drift driven eastward (first 12 ft N 80° E and the remainder S 30° E) from the head of the crosscut encountered the termination of the pegmatite about 12-feet from the head of the drift. The body " fingers out" and grades into migmatite and gneiss.

The adjacent country rock is biotite gneiss whose foliation strikes N 70 to 80° E and dips 72 to 82° to the northwest

Muscovite

Ruled muscovite which is of strategic quality at the surface, is bent,

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 1080 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

RECEIVED
JUL 16 1956

July 12, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Operator's Final Report, DMEA-4002, Idm-E918 (mica) Ferguson Mine Co. Franklin, N.C. Ferguson Mine, Macon County, N. C.

Enclosed are 4 copies of the subject report.

Robert A. Laurence

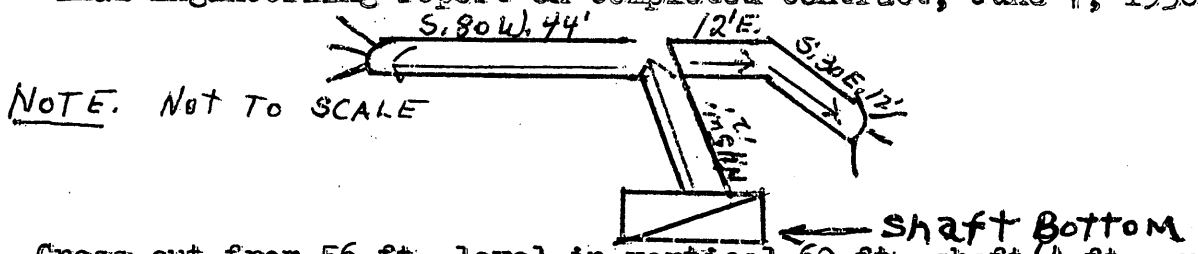
Robert A. Laurence

To the United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Docket NO. DMEA- 4002
Contract no. IDM. E. 918

RECEIVED
JUL 16 1956

Final Engineering report on completed contract, June 7, 1956.



Cross cut from 56 ft. level in vertical 60 ft. shaft (4 ft. sump) 12 ft. N. 45w. thence from cross cut 44 ft. S. 80 w., thence from east side of cross cut went 12 ft. E. thence 12 ft. S. 30E, Ran out of pegmatite in gneiss at approx. 15 ft// total in all total in all 80 ft. drift.

Progress report on completed contract.
Constructed tool house (76.00) Powder Mag. (26.00) Exploder Mag. (15.00) reconditioning and enlarging existing shaft and timbering (610.00) sunk shaft and timbered 35 ft. more for a total of 60 ft. as per contract (1505.00) Cross cut vein at 56 ft. level (4 ft. sump) all pegmatite vein, 12 ft. drift N. 45 W. Vein measured 8½ft. at cross cut, thence 44 ft. S. 80 W. in pegmatite and scattered quartz. Vein narrowed to approx. 3 ft. at end of 44 ft. drift in pegmatite and scattered quartz. Thence from East side of cross cut 12 ft. in pegmatite and wall rock (no mica). Turned S. 30 E. 12 ft. (attempting to pick up scattered vein) ending in gneiss. This completed 80 ft. drift. (2600.00) Total contract (4832.00).

Mica recovered in process of completing contract.

Sold to General Services Administration 36.55 lbs. ---	$152.92
Sold Farnam Co. Punch mica 421 lbs. ----------0-	$ 50.52
Sold to Franklin Mineral Products Scrap Mica 1975 lbs.	$ 29.62
Total	$233.06

Balance of mica is in process.
Approx. 10 lbs. is at Spruce Pine. Approx. 300 lbs. of punch is in process. All scrap has been sold. Approx. amount of mica recovered under contract is 2742.55lbs All recipts will be sent under seperate cover together with royalty (5%) to DMEA. office Knoxville, Tenn. Balance of receipts will be sent together with royalty (5%) as soon as processing is completed.

Signed Harry Moses
Ray Franklin
Dale Carter

JUL 20 1956
U.S. DEF. MIN. EXP.
Knoxville, Tennessee

Extra Cys

RECEIVED
JUL 16 1956

July 12, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Operator's Final Report, DMEA-4002, Idm-E918 (mica)
Ferguson Mine Co. Franklin, N.C. Ferguson Mine,
Macon County, N. C.

Enclosed are 4 copies of the subject report.

Robert A. Laurence

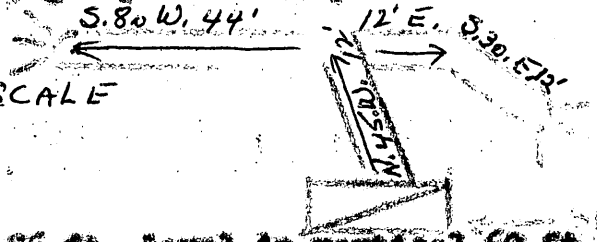
RAL/sm
cc:
Lynch
Shirley
Files

To the United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

RECEIVED
JUL 16 1956

Re: Docket No. DMEA- 4002
Contract No. [illegible] 916

Final Engineering report on completed contract, June 7, 1956.



NOTE NOT TO SCALE

Cross cut from 56 ft. level in vertical 60 ft. shaft(4 ft. sump) 12 ft. E. 45W. thence from cross cut 44 ft. S. 80 w., thence from east side of cross cut went 12 ft. E. thence 12 ft. S. 30E, Ran out of pegmatite in gneiss at approx. 18 ft/ total in all total in all 60 ft. drift.

Progress report on completed contract.
Constructed tool House (76.00) Powder Mag. (26.00) Exploder Mag. (19.00) reconditioning and enlarging existing shaft and timbering (010.00) sunk shaft and timbered 35 ft. more for a total of 60 ft. as per contract (1505.00) Cross cut vein at 56 ft. level (4 ft. sump) all pegmatite vein, 12 ft. drift S. 45 W. Vein measured 8 ft. at cross cut, thense 44 ft. S. 80 W. in pegmatite and scattered quartz. Vein narrowed to approx. 3 ft. at end of 44 ft. drift in pegmatite and scattered quartz. Thence from East side of cross cut 12 ft.in pegmatite and wall rock (no mica). Turned S. 30 E. 12 ft.(attempting to pick up scattered vein) ending in gneiss. This completed 60 ft. drift. (2000.00) Total contract(4050.00).

Mica recovered in process of completing contract.

Sold to General Services Administration 36.55 lbs. ---	150.98
Sold Farnam Co. Punch Mica 421 lbs. ----------	53.98
Sold to Franklin Mineral Products Scrap Mica 1975 lbs.	99.02
Total	303.98

Balance of mica is in process.
Approx. 10 lbs. is at Spruce Pine. Approx. 300 lbs.of punch is in process. All scrap has been sold. Approx. amount of mica recovered under contract is 2742.55lbs All receipts will be sent under seperate cover together with royalty (5%) to DMEA. office Knoxville,Tenn. Balance of receipts will be sent together with royalty (5%) as soon as processing is completed.

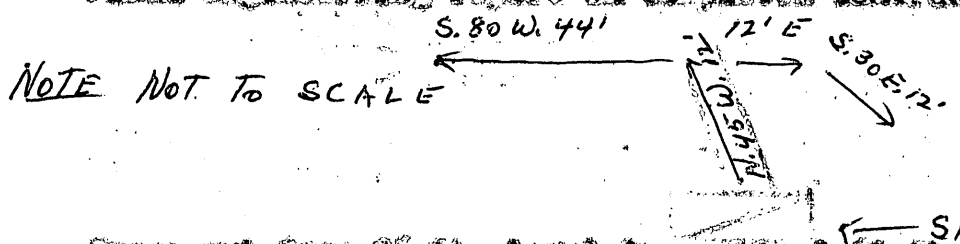
Signed Harry Moses
Ray Franklin
Dale Carter

To the United States Department of the Interior
Defense Minerals Exploration Administration
Washington 25, D.C.

Re: Project No. [illegible] 432
Contract No. [illegible]

RECEIVED
JUL 16 1956

Final Engineering report on completed contract, June 7, 1956.



Cross cut from 50 ft. level in vertical 10 ft. shaft(4 ft. sump) 12 ft. E. 40 W. thence from cross cut 44 ft. S. 80 W., thence from east side of cross cut west 12 ft. E. thence 12 ft. S. 30 E. Ran out of pegmatite in center at approx. 15 ft/ total in all total in all 10 ft. drift.

Progress report on completed contract.
Constructed tool house (70.00) Powder Co. (20.00) Explosive Co. (30.00) reconditioning and enlarging existing shaft and timbering (210.00) sunk shaft and timbered 35 ft. core for a total of 10 ft. as per contract (1705.00) Cross cut main at 56 ft. level (4 ft. sump) all pegmatite vein. 10 ft. drift E. 85 W. Vein measured 8 ft. at cross cut, thence 44 ft. S. 80 W. in pegmatite and scattered quartz. Vein narrowed to approx. 3 ft. at end of 44 ft. drift in pegmatite and scattered quartz. Thence from east side of cross cut 12 ft. in pegmatite and well rock (no mica). Turned S. 30 E. 12 ft. (attempting to pick up scattered vein) ending in gneiss. This completed 10 ft. drift. (200.00) total contract(4000.00).

Mica recovered in process of completing contract.
Sold to General Services Administration 70.00 lbs. ---- 100.00
Sold Furnas Co. Punch Mica 421 lbs. ---------- 55.00
Sold to Franklin Mineral Products Corp Mica 2072 lbs. 50.00
Total 205.00

Balance of mica is in process.
Approx. 10 lbs. is at Spruce Mica. Approx. 500 lbs. of punch is in process. All scrap has been sold. Approx. amount of mica recovered under contract is 2740.5lbs. All receipts will be sent under separate cover together with royalty (5%) to U.S.A. office Knoxville, Tenn. Balance of receipts will be sent together with royalty (5%) as soon as processing is completed.

Signed Harry Moses
Ray Franklin
Dale Carter

RECEIVED
JUL 20 1956
U.S. DEPT. OF INTERIOR
DEF. MIN. ADM.
Knoxville, Tennessee

INTERIM REPORT

DMEA-4002, Idm-E918 (Mica) FERGUSON MINE

Operator: The Ferguson Mining Co., c/o Harry Moses, Route No. 5, Franklin, North Carolina

Location: 0.75 mile west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, North Carolina

This project has been completed without making a worthwhile discovery of strategic mica. The operator does not indicate that any additional exploration will be attempted at his own expense and at the time of this visit plans were being made to remove equipment from the mine site. Certification of this contract will not be recommended because the poor quality of mica recovered does not indicate that sufficient reserves of strategic mica exist to warrant such a recommendation.

Work performed under contract consisted of reconditioning and enlarging an existing 25 foot shaft to 5 feet by 7 feet in cross section, sinking an additional 35 feet of shaft and driving 80 feet of drift from the shaft bottom along the strike of the pegmatite. The body, as explored from the shaft, strikes N75°E, dips steeply NW, and averages about 5 feet in thickness. Quartz and mica is disseminated throughout the body; no quartz core nor mica "shoot" exists in this body. The mica is of very poor quality at depth, prinicpally because of excessive staining. One

RECEIVED
JUN 28 1956

ACTION ON INTERIM 4002
OR FINAL FIELD TEAM REPORT
Date 6-29

Referred to:

1. ~~Mr. Attendorf~~
2. Mr. Johnson
3. ~~Mr. Gaeghers~~
4. Docket Control Mails and Files
5. Division
6. Docket Control Mails and Files

Note comments in report regarding:

1. Completed - but!

2.

3.

4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

sale of 36 pounds of processed mica has been made to the GSA Depot, Spruce Pine, North Carolina. About 2000 pounds of scraphas been sold for $29.62 and 423 pounds of punch brought $52.00.

This project was conducted satisfactorily and in accordance with terms of the contract, and in safe and efficient manner. The operators are to be commended for a good job completed, in view of many discouraging factors.

L. E. Shirley

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

A. R. Taylor

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

June 19, 1956

RECEIVED
JUN 15 1956

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

OPERATOR: The Ferguson Mining Co., c/o Harry Moses, R#5, Franklin, N. C.

LOCATION: 0.75 mile west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, N. C.

Drifting continues on this contract and combined with 8 feet of crosscut now totals 70 feet. Thirty-eight feet of the drift work has been conducted to the southwest and 24 feet to the east and southeast from the shaft bottom. The Operator was advised to return and drive the 10 feet of drift remaining under contract to the southwest in an effort to produce a better grade of strategic mica. Material encountered to the East has been extremely weathered and barren of mica. The body also appears to narrow to the east and contains less quartz than the southwest work has shown. Mica recovered in last work contains considerable stain, is ruled badly, and is warped or bent badly. Progress on this contract is satisfactory.

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

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

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

June 5, 1956

ruled and stained at the 56-foot level.

No definite zones of muscovite were encountered. The entire production of about 2743 pounds of block muscovite was scattered through the body; both near the contacts and in the center. In the last few feet of drift to the southwest some books of mica recovered were 3 x 6 inches.

Production:

Total production from work done under the contract was 2742.55 lbs. Sales were as follows:

GSA Depot	36.55 lbs. trimmed	$152.92
Farnam Co.	421 lbs punch	50.52
Franklin Minerals,	1975 lbs. scrap	29.62
		$232.06

In addition 10 pounds of trimmed mica and 300 pounds of punch is now being processed and may bring an estimated $70.00.

The trimmed muscovite had a very low average value per pound ($4.19). Quality of trimmed mica from sales made is as follows:

Good stained and better	# 4 & 5	.31	lbs.
~~Stained~~	# 5 & 6	4.22	"
Stained			
	4 & 5	.06	"
	5½ & 6	3.90	"
(half-trimmed)	5½ & 6	1.12	"
Heavy Stained			
(half-trimmed)	5½ & 6	26.94	"

Conclusions

No significant reserves of strategic muscovite are indicated or inferred. The poor quality of the muscovite recovered indicates that any furhter work would be uneconomical. The Operators have removed their equipment from the premises and do not intend to do any more work. It is recommended that the mine not be certified as a discovery.

Expenditures

(a)	Total amount of Contract	$4,832.00
(b)	Total Spent	4,832.00
(c)	Government participation	3,624.00
(d)	Government's share unexpended	None
(e)	Value of production during ppr. (i) sold	233.06
	(ii) to be sold	70.00
	Estimated value	303.06
(f)	Royalty to date	12.45

August 2, 1956

A. R. Taylor, Geologist
Geological Survey

L. E. Shirley, Mining Engineer
Bureau of Mines

RECEIVED
MAY 31 1956

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

OPERATOR: The Ferguson Mining Co., c/o Harry Moses, R#5, Franklin, N. C.

LOCATION: 0.75 mile west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, N. C.

Drifting continues to the southwest on this contract and combined with 8 feet of crosscut now totals 36 feet. Both contacts of the body are now visible in the face. At the contacts there is a narrow quartz band, with a diseminated mixture of quartz, feldspar, and mica in between. The body is about 5 feet thick and continues to dip steeply to the northwest. Several medium-sized blocks of mica of poor quality were observed in the face. The Operator was advised to pull one more heading to the southwest, return to the shaft, and start a new drift to the northeast in an effort to produce mica of better quality.

This mine is now working two shifts, and drift progress should increase in the near future. Necessary timber work at the shaft bottom has been completed. Progress on this contract is satisfactory.

L. E. Shirley

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

A. R. Taylor

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

May 21, 1956

RECEIVED
MAY 18 1956

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

Operator: The Ferguson Mining Co., c/o Harry Moses, Route 5, Franklin, North Carolina

Location: 0.75 mile west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, North Carolina

Drifting continues on this contract and now totals 19 feet; eight feet of crusscut has been driven from the shaft bottom in a N40°W direction and 11 feet of drift has been driven S80°W. The work is following the hanging wall of a pegmatite whose contact strikes N75°E and dips 80°NW. The body is conformable to the enclosing country rock and is composed of feldspar containing closely associated quartz, and badly stained muscovite mica. The operator was advised to continue driving to the southwest after picking up the foot wall contact. Some drift work will be conducted to the northeast at a later date. The operator estimates that approximately 3100 pounds of mica has been recovered to date from this operation; 2700 pounds came from shafting and and 400 pounds from the combined cross cut and drift. Much of this mica is of poor quality - a recent small sale of processed half-trim and full-trim to the G. S. A. Depot, Spruce Pine, North Carolina, averaged less than $5.00 per pound.

The operator was advised to widen the drift and raise the roof to conform with contract specifications. Progress on this contract is satisfactory.

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

A. R. Taylor

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

May 8, 1956

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

OPERATOR: The Ferguson Mining Co., c/o Harry Moses, R#5, Franklin, N. C.

LOCATION: 0.75 miles west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, N. C.

Shaft sinking has been completed to a total depth of 60 feet on this contract. Turnoff has been made from the 56 foot shaft level, leaving a 4 foot sump, and drifting is now in progress. Pegmatite was intercepted immediately after turnoff, and all level work has been in pegmatite composed of feldspar, scattered quartz, and small blocks of badly stained muscovite mica. The Operator was advised to continue driving along the hanging wall of the body until the Examiners can make another visit to the mine.

The Operator was advised to scale the working area and exposed shaft walls thoroughly before attempting any additional work. Progress on this contract is satisfactory.

L. E. Shirley

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

A. R. Taylor

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

RECEIVED
MAY 3 - 1956

April 24, 1956

RECEIVED
APR 13 1956

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

Operator: The Ferguson Mining Co., c/o Harry Moses, R#5, Franklin, N. C.

Location: 0.75 mile west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, N. C.

Shaft sinking continues on this contract, and now totals 58 feet. Shafting continues to follow a narrow pegmatite, which is better exposed at about 52 feet on the southeast side of the shaft. No appreciable mica has been recovered in recent work, and no sales have been made from mica recovered under the contract.

The Operator was advised to continue sinking to a total depth of 60 feet, floor the shaft at 56 feet, leaving a 4-foot sump, and turn off on that level to the east, following the pegmatite. Another visit will be made to the mine in the near future.

L. E. Shirley

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

A. R. Taylor

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

April 10, 1956

RECEIVED
APR 9 - 1956

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

Operator: The Ferguson Mining Co., c/o Harry Moses, R#5, Franklin, N.C.

Location: 0.75 mile west of Holly Springs Church, Corbin Knob, Quadrangle, Macon County, N. C.

Progress for the past two weeks consists of 12 feet shaft making a total of 52 feet. The pegmatite is still partially weathered with schist inclusion near 50 feet. T he mica observed is a fair quality showing signs of stain and cracks. The Operator was instructed to continue sinking to 60 feet.

Progress is satisfactory.

March 30, 1956.

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

R. A. Laurence and A. R. Taylor, Geologists
Geological Survey

2

INTERIM REPORT

DMEA-4002, Idm-E918 (mica) FERGUSON MINE

Operator: The Ferguson Mining Co., c/o Harry Moses, R#5, Franklin, N. C.

Location: 0.75 miles west of Holly Springs Church, Corbin Knob Quadrangle, Macon County, North Carolina

Shaft sinking for this period totals 15 feet, in pegmatite. The existing shaft plus the new shaft totals 40 feet. The shaft timber and manway is complete to 30 feet.

The pegmatite is partially weathered containing a 2-foot quartz core. The muscovite observed is of fair quality and size. The quality is expected to improve with depth.

Progress is satisfactory.

Inpsected: March 16, 1956

A. L. Peyton

A. L. Peyton, Mining Engineer
Bureau of Mines

A. R. Taylor

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

z

INTERIM REPORT

DMEA-4002, Idm-F918, FERGUSON MINE
(mica)

RECEIVED
MAR 12 1956

Operator: The Ferguson Mine Company, c/o Harry Moses, Route 5, Franklin, N.C.

Location: 0.75 mile west of Holly Springs Church, Corbin Knob Quadrangle, Macon County, North Carolina

The project got underway February 20, 1956. Construction of toolhouse and magazines is complete. The existing shaft has been enlarged and timbered to 25 feet. From this point the shaft will be extended to 60 feet.

Progress is satisfactory.

Inspected: March 2, 1956.

A. I. Peyton
A. I. Peyton, Mining Engineer
U. S. Bureau of Mines

ART by SCB
A. R. Taylor, Geologist
U. S. Geological Survey

g

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

RECEIVED
FEB 23 1956

February 20, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Signed Contract - DMEA-4002, Idm-E918-Mica
The Ferguson Mine Company, c/o Harry Moses, Franklin, N.C.

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

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

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

DOCKET COPY
Surname:

Hopkins
Houk
Chapman
Selfridge
Johnson

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

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

FEB 1 4 1956

Re: Docket No. DMEA-4002-Mica
Harry Moses, et al.
The Ferguson Mine
Macon County, North Carolina

Dear Mr. Laurence:

Enclosed are the original and five copies of a proposed contract which have been signed by the Administrator for the Government with effective date as shown. Attachments to the contract are Annex I, Consent to Lien, "Exhibit A" and map of the Ferguson Mine. Two extra copies of "Exhibit A" are enclosed for the use of the Field Team.

If the proposed contract meets with your approval, present it to the Applicants for execution. Please explain to the Applicants that the contract is a firm commitment to complete the work outlined at the agreed cost. Copies of the executed contract are to be distributed in the usual manner.

If any part of this proposed contract does not have either your approval or that of the Applicants and cannot be amended within your delegated authority, then the original and all copies of the contract and the two extra copies of "Exhibit A" are to be returned to this office, together with the proposed changes for consideration.

Copies of memoranda dated December 20 and 21, 1955, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Please note that the "fixed unit costs" of the contract do not agree with the estimated costs shown in the field examination report. This is because the applicants will furnish equipment, and costs are based on a use allowance for new equipment. An allowance for maintenance and repairs is included in the costs.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

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

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

Enclosures: 12

JHopkins:ms 2/9/56
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

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

RECEIVED
JAN 16 1956

January 12, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4002 (mica) Ferguson Mine. Breakdown of shaft rehabilitation; estimated Social Security and Insurance costs.

We are enclosing 4 copies of a revised estimated cost sheet with shaft rehabilitation costs broken down, insurance and social security costs brought up to standard, and inclusion of timber installation with labor costs.

Labor, insurance, and social security were figured on a preliminary basis. Subsequent increases in labor costs were figured without a corresponding increase in insurance and social security.

V. J. Lynch

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

S. C. Bergman

S. C. Bergman, Geologist
U. S. Geological Survey

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

WASHINGTON, D. C.

RECEIVED
JAN 16 1956

January 12, 1956

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: DMEA-4002 (mica) Ferguson Mine. Breakdown of shaft rehabilitation; estimated Social Security and Insurance costs.

We are enclosing 4 copies of a revised estimated cost sheet with shaft rehabilitation costs broken down, insurance and social security costs brought up to standard, and inclusion of timber installation with labor costs.

Labor, insurance, and social security were figured on a preliminary basis. Subsequent increases in labor costs were figured without a corresponding increase in insurance and social security.

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

S. C. Bergman, Geologist
U. S. Geological Survey

SCB/sm
cc:
Opr. Com.-4
Lynch
Shirley
Files

RECEIVED
JAN 16 1956

DMEA-4002, Ferguson Mine

(Revised estimated costs, 1-10-56)

Toolhouse	~~$75.00~~ 76.00
Powder magazine	25.00
Exploder magazine	15.00

Recondition and enlarge esisting 25 feet of shaft to 5' x 7' cross-section (11 shifts)

Labor:

1 - Miner @ $1.50/hr.	$130.00
1 - Hoistman @ $1.25/hr.	110.00
1- Laborer @ $1.00/hr.	90.00

Equipment: (rental)

Compressor, and drill @ $230/Mo.	130.00
Hoist @ $50/Mo.	30.00
Pump @ $20/Mo.	15.00
	175.00

Use Allowance
6500.00 x 1/60 = 110.00
= 4.40/ft

Supplies:

Explosives	35.00
Drill steel	20.00
Gasoline and oil	25.00
Timber, 750 b.f. @ $65/M	50.00
Small tooks, pipe, etc.	20.00
Miscellaneous	30.00
Social Security	7.00
Insurance	33.00
Sales tax	5.00

Total estimated cost of reconditioning and enlarging shaft 730.00 = 29.00/ft
~~665~~ = 26.60

Sink 35 feet additional 2-compartment shaft (20 shifts) 1.75/sh/ft

Labor:

1 - Miner @ $1.50/hr.	240.00
1 - Hoistman @ $1.25/hr.	200.00
2 - Laborers @ $1.00/hr.	320.00

$21.71

Equipment (rental)

Compressor and drill @ $230/Mo.	230.00
Hoist @ $50/Mo.	50.00
Pump @ $20/Mo.	20.00

$8.57/ft

300.00
Use Allowance
6500.00 x 1/60 = 110.00 = 3.15/ft

21.71
8.57
16.57
46.85

Supplies:

Explosives	3.14 $120.00	
Drill steel	65.00	
Gasoline and oil	75.00	16.57
Timber, 1000 b.f. @ $65/M	65.00	
Small tools, pipe, etc.	70.00	rounded to 46.80
Miscellaneous	80.00	
Insurance	75.00	
Social Security	15.00	
Sales tax	15.00	$1638.00 1638.00

Estimated total cost of sinking 35 ft of shaft..... ~~$1610.00~~ $1448.00 190.00

Drive 80 feet of level (drift and/or crosscut)
(40 shifts) 2'/shift

Labor:

1 - Miner @ $1.50/hr.	$480.00	19.00
1 - Hoistman @ $1.25/hr.	400.00	
2 - Laborers @ $1.00/hr.	640.00	

Equipment (rental

Compressor, drill and jackleg, @ $250/mo	500.00	
Hoist @ $50/Mo.	100.00	8.00
Pump @ $20/Mo.	40.00	
	640	

Use Allowance 220.00 = 2.75/ft

Supplies:

Explosives	250.00 3.12	
Drill steel	120.00 1.50	
Gasoline and oil	150.00 1.88	
Small tools, pipe, etc.	90.00 1.12	
Miscellaneous	120.00 1.50	
Insurance	150.00	
Social Security	30.00	2.50
Sales tax	20.00	

$38.62 rounded to 38.60

2618.00

Total estimated cost of 80 feet of drifting..... ~~$3,090.00~~ ~~3088.00~~

Total estimated cost of project..... ~~$5,575.00~~ $5572.00

4179.00

Govt

L. E. Shirley, Mining Engineer
Bureau of Mines

K. H. Teague, Geologist
S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

Revised: January 12, 1956.

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

RECEIVED
DEC 21 1955

December 21, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4002 (mica)

Applicant: Ferguson Mining Co.

Name and Location of Property: Ferguson Mine, Macon Co., N. C.

Date of Field Team Report: 11/4/55

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 12/20/55

Field Team Recommendation: Recommend a unit cost exploration program at a cost of $5,453.00.

Comments:

1. Exposures show some flat books of ruby mica.

2. This deposit appears to have possibilities for the development of strategic mica.

Recommendation: I concur with the recommendation of the field team for a unit cost exploration program.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
DEC 20 1955

December 20, 1955

Re: DMEA 4002
Ferguson Mining Co.
Ferguson Mine
Macon Co., N. C.
$5,453.00 - Mica

Memorandum

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

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

Subject: Review of Field Team report.

The examiners and the Field Team recommend the approval of a contract in the amount of $5,453.00, the estimated cost of the following work:--

Recondition and enlarge shaft,	25 feet)	$2,283.00
Sink	35 feet)	
Drift and/or crosscut 80 feet		3,055.00
Buildings, magazines and toolhouse		115.00
		$5,453.00

I concur with the recommendations of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

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

RECEIVED
DEC 15 1955

December 13, 1955

Memorandum

To: Operating Committee, DMEA - Washington

From: DMEA Field Team, Region V

Subject: Field Examination Report, DMEA-4002 (mica) Ferguson Mining Co.
Ferguson Mine, Macon County, N. C.

Enclosed are four copies of the subject report, and nine extra copies of the map. Also enclosed are signed copies of the new Consent to Lien, a sketch of the tract submitted by the applicant, and a revised copy of the lease, as requested in your letter of October 19.

We recommend approval of a unit-cost contract along the lines proposed in the report.

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

Wm. A. Beck
Wm. A. Beck, Acting Member
Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
12-16-55
(date)

RECEIVED
DEC 15 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXAMINATION REPORT BY FIELD TEAM
REGION V

On

DMEA-4002, FERGUSON MINE (mica)
Macon County, N. C.

By

L. E. Shirley, Mining Engineer
Bureau of Mines

and
K. H. Teague, Geologist
S. C. Bergman and A. R. Taylor, Geologists
Geological Survey

November 4, 1955

Report approved by
DMEA OPERATING COMMITTEE
12-16-55
(date)

FIELD EXAMINATION REPORT
On

DMEA-4002 (mica) FERGUSON MINE

RECEIVED
DEC 15 1955

Applicants: Harry Moses, Ray Franklin and Dale Carter, d/b/a Ferguson Mining Company, c/o Harry Moses, R#5, Franklin, N. C.

The Ferguson Prospect showed some fair sized, flat, hard ruby mica, mostly clear unstained. The presence of potentially good mica in a 6-foot wide pegmatite with massive quartz core leads the examiners to recommend this prospect for DMEA assistance.

The property was visited November 4, 1955. The field team were accompanied by two of the applicants, Dale Carter and Harry Moses. The prospect occurs in Macon County, 1 3/4 miles east of Franklin, North Carolina on the Corbin Knob Quadrangle sheet (1927 - 1/24,000). It is easily accessible by car at all times. The applicants have worked in mica mining for a number of years and seem capable of carrying a DMEA contract to completion.

The Ferguson Prospect occurs crossing an arcuate 100-foot long bulldozer trench. A 25.5-foot deep shaft has been sunk on the pegmatite from the bottom of the 10-foot deep bulldozer cut. The pegmatite is essentially vertical and strikes N. 80° W. exhibiting a massive 2-foot quartz core. The vein varies from 30 to 60 inches in width and contains some rather fair size books of flat, hard, ruby mica with some minor mineral staining. The vein was enclosed concordantly in a highly weathered biotite gneiss.

The field team recommends enlarging the present 25 1/2-feet of shaft to 5' x 7' crosssection and sinking an additional 35 feet of shaft from where 80 feet of drift exploration can be carried out.

Estimated Costs:

Toolhouse	$75.00
Powder Magazine	25.00
Exploder Magazine	15.00

Enlarging and reconditioning existing 25-feet of shaft to 5' x 7' in cross-section (10 shifts)

Sink 35 feet additional 2-compartment shaft (18 shifts)

Labor:

1 - Miner at $1.50/hr.	$335.00
1 - Hoistman at $1.25/hr.	280.00
2 - Laborers at $1.00/hr.	448.00

Equipment (rental)

Compressor, and drill at $230/Mo.	$325.00	
Hoist at $50/Mo.	70.00	
Pump at $20/Mo.	30.00	

Supplies:

Explosives	170.00	
Drill steel	90.00	
Gasoline and oil	105.00	
Timber at $65/M b.f.	195.00	
Small tools, pipe, etc.	100.00	
Miscellaneous	130.00	
Social Security	115.00	
Insurance	85.00	
Tax	20.00	$2,398.00

Eighty feet of level (drift and/or crosscut)
40 shifts

Labor:

1 - Miner at $1.50/hr.	480.00	
1 - Hoistman at $1.25/hr.	400.00	
2 - Laborers at $1.00/hr. ea.	640.00	

Equipment (rental)

Compressor and drill and jackleg, at $230/Mo.	460.00	
Hoist at $50/Mo.	100.00	
Pump at $20/Mo.	40.00	

Supplies:

Explosives	250.00	
Drill steel	120.00	
Gasoline and oil	150.00	
Timber at $65/M	30.00	
Small tools, pipe, etc.	90.00	
Miscellaneous	130.00	
Social Security	25.00	
Insurance	120.00	
Sales tax	20.00	$3,055.00

Total estimated cost of project..... $5,453.00

Examined: Nov. 4, 1955

K. H. Teague, S. C. Bergman and A. R. Taylor
Geologists, U. S. G. S.

and

L. E. Shirley, Mining Engineer, U. S. B. M.

NORTH CAROLINA
MACON COUNTY

RECEIVED
DEC 15 1955

THIS LEASE AGREEMENT, made and entered into this the 7th day of September, 1955, by and between JOHN C. FERGUSON and CHARLES FERGUSON and wife RETA FERGUSON, of Macon County, North Carolina, parties of the first part, hereinafter designated as lessors, and HARRY ROSS, RAY FRANKLIN and DALE CARTER, of Macon County, North Carolina, hereinafter designated as lessees, parties of the second part;

WITNESSETH: That the said parties of the first part do hereby lease unto the parties of the second part, their heirs and assigns, the mica and mica mining privileges upon a certain tract or parcel of land in Millshoal Township, Macon County, North Carolina, more particularly described as follows:

> All that part of the John C. Ferguson Farm lying to the West side of Cat Creek, described in a deed from John C. Ferguson, widower, to Charles Ferguson and wife, Reta Ferguson, dated November 12, 1951, and recorded in the office of the Register of Deeds for Macon County, North Carolina, in Deed Book B-6, at page 36. The tract herein leased is described in particular as follows: BEGINNING at 6 inch sourwood corner, thence N. 25 W. 404 feet to a stake in South boundary line of tract being leased; thence East 132 feet a stake the S. E. corner of lease tract; thence North 500 feet a stake on N. side of ridge; thence West 530 feet to a stake on hillside; thence South 390 feet a stake in old line; thence with old line S. 56 degrees E. 200 feet a stake; thence East 200 feet to BEGINNING. Corner of leased tract. This corner is in line from sourwood corner to mine shaft which bears N. 25 W. 483 feet from said sourwood corner. Containing 5.5 acres, be the same, more or less.

This lease shall be subject to the following terms and conditions:

1. Lessees agree to pay lessors a royalty of twelve and one-half (12½%) per cent of the gross selling price of all mica recovered from said property, and all royalty payments shall be due and payable within ten days from the date of sale.

2. Lessees shall keep a record of all sales, which record shall be open for the inspection of the lessors or their agents at all times.

3. The duration of this lease shall be five years from the date hereof, unless sooner terminated as hereinafter provided.

4. As a part of this lease, the lessors give to the lessees the necessary timber and water for mining purposes together with the right to build trails or roads upon said property which may be necessary for the install of machinery and the proper operation of the mine.

5. It is understood and agreed between the parties hereto that if at any time the lessees shall discontinue operations for as long as thirty consecutive days, unless such discontinuance shall be caused by acts of God or other accident beyond the control of the lessees, then the lessors at their option may declare this lease to be terminated and of no further force and effect.

6. This lease shall not be transferable except with the written consent of the parties of the first part; but this shall not interfere with the rights of the lessees to execute such agreements as may be necessary to borrow money from the U. S. Government, or proper Department thereof, for the purpose of operating said mine.

TO HAVE AND TO HOLD said mine and mine mining privileges herein set forth according to the terms hereof unto the said Harry Moses, Ray Franklin and Dale Carter, their heirs and assigns.

IN TESTIMONY WHEREOF, the parties hereto have set their hands and affixed their seals the day and year first above written.

John C. Ferguson (SEAL)

Charles J. Ferguson (SEAL)

Rita C. Ferguson (SEAL)

Harry Moses (SEAL)

Dale Carter (SEAL)

Ray B. Franklin (SEAL)

NORTH CAROLINA
MACON COUNTY

Personally appeared before me this day JOHN C. FERGUSON and CHARLES FERGUSON and wife RUTA FERGUSON, HARRY MOSES, RAY FRANKLIN and DALE CARTER, who acknowledged the due execution of the foregoing lease agreement for the purposes therein expressed.

WITNESS my hand and Noterial seal, this 4th day of November, 1955.

Mrs. Ida Cooper
Notary Public, Macon County, N. C.

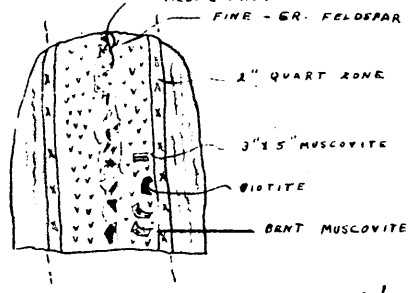
My Commission Expires:
Feb. 5, 1956.

DMEA - 4002, IDM - E 918 (MICA)

FERGUSON MINE

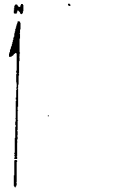
MACON CO., N.C.

8 - 1 - 1956



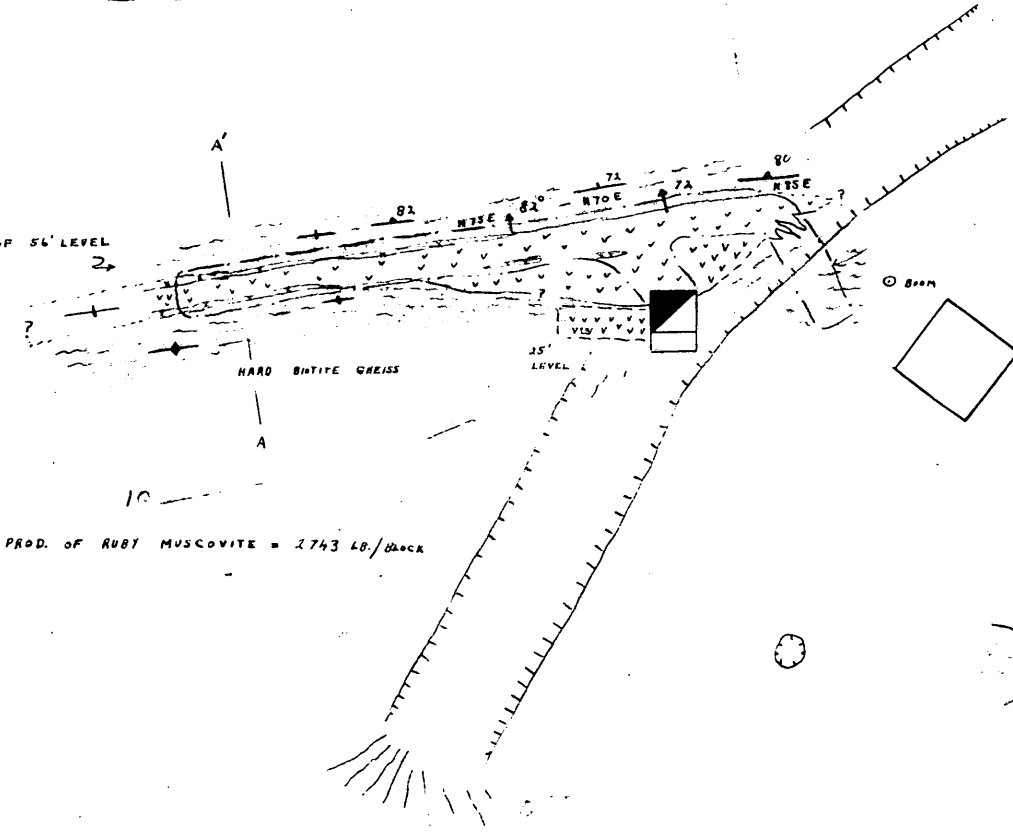
A — X - SECT — A'

No SCALE

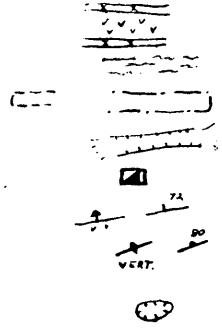


0 — 20 FEET

SCALE



TOTAL PROD. OF RUBY MUSCOVITE = 2743 LB./block



PEGMATITE w/ QUARTZ STRINGERS

GNEISS

UNDERGROUND WORKS

TRENCH

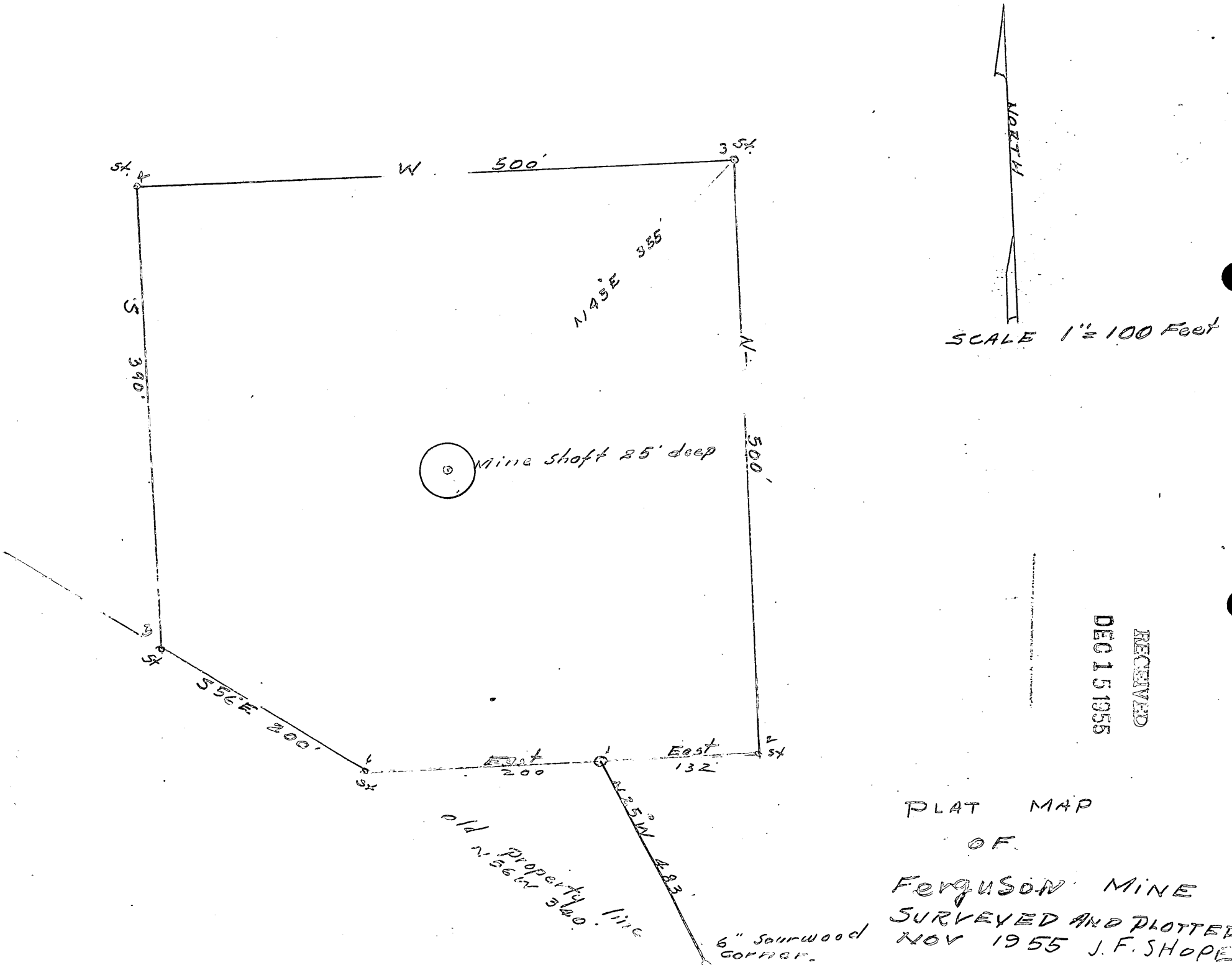
SHAFT COLLAR

STRIKE + DIP OF PEGMATITE

STRIKE + DIP OF GNEISS FOLIATION

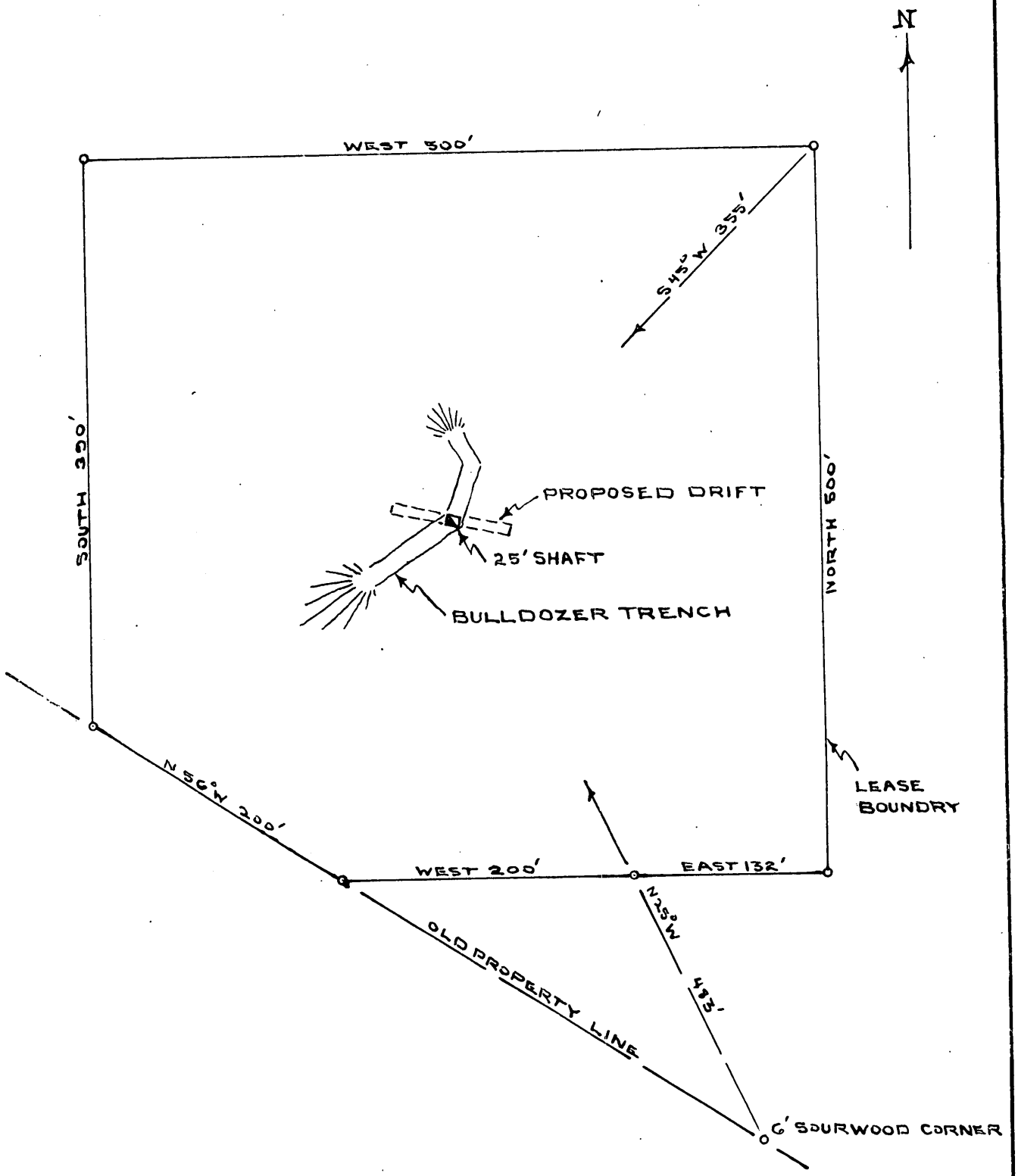
PIT (SMALL, CAVED)

TAYLOR - 7-1-56



RECEIVED
DEC 15 1955

PLAT MAP
OF
Ferguson MINE
SURVEYED AND PLOTTED
NOV 1955 J. F. SHOPE



FERGUSON MINE
DMEA-4002 (MICA)

SCALE: 1" = 100'

12/55 SCB

DOCKET FILE
Surname:

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

Hopkins
Selfridge
Bergman
Mittendorf

DEC 29 1955

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

Subject: Docket No. DMEA-4002 - Mica
Harry Moses, et al.
The Ferguson Mine
Macon County, North Carolina

Dear Mr. Laurence:

Reference is made to the Field Team Examination Report dated November 4, 1955, on the subject property and your transmittal memorandum dated December 13, 1955.

In the "Estimated Costs" in the report, the cost of enlarging and reconditioning existing 25-foot shaft is grouped with the shaft sinking cost. Please send us separate breakdowns of the costs of these two jobs. We also note that the costs of social security and insurance for the shaft work and drifting appear out of line with similar work in that area. Please check these items and revise if necessary.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (b/b)

Approved:

/s/ Robert W. Geehan (b/b)
Member, Bureau of Mines

Thor H. Kiilsgaard (b/b)
Member, Geological Survey

JHopkins:ad 12/28/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

Rd.

Docket Copy
Surname:

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

OCT 19 1955

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

Subject: Docket No. DMEA-4002 - Mica
Harry Moses, et al.
The Ferguson Mine
Macon County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated October 7 and 13, 1955, by H. E. Nelson, USGS, and W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

If your office recommends an exploration program approved by the applicant, please furnish the necessary information to draft a contract. In this connection we will require nine copies of a map showing the proposed work and pegmatite exposures in relation to the property lines. Please note Operating Committee Minutes Nos. 207 and 296, dated April 24 and November 23, 1953, for the detailed information we will require to draft a contract.

We are enclosing copies of the applicant's lease and Consent to Lien forms which are to be corrected if a contract is recommended. The lease does not contain a legal description of the property and the Consent to Lien contains a description that does not show a closed area, nor a tie-in to a permanent landmark.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (S/B)

Approved:

P. F. Yopes (S/B)
Member, Bureau of Mines

Thor H. Kiilsgaard (S/B)
Member, Geological Survey

Enclosures 10

JHopkins:gad 10/18/55
Copy to: Admr. R. File
Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

Docket Copy
Surname:

Hopkins
Johnson
Kiilsgaard
Young
Selfridge

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

OCT 19 1955

Messrs. Harry Moses, Ray Franklin
and Dale Carter
C/O Mr. Harry Moses
Route #5
Franklin, North Carolina

Re: Docket No. DMEA-4002 - Mica
Harry Moses, et al.
The Ferguson Mine
Macon County, North Carolina

Gentlemen:

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

The Regional Office will contact you at an early date if an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

Frank E. Johnson

Acting Administrator

JHopkins:gad 10/18/55
Copy to: Admr. R. File
Docket
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Hopkins

RGG

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

RECEIVED
OCT 14 1955

October 13, 1955

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4002 (mica)

Applicant: H. Moses, R. Franklin, D. Carter (Ferguson Mining Co.)

Name and Location of Property: The Ferguson Mine, Macon County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/6/55

Comments:

1. The proposed program of exploration will determine value of ground in mine that previously has been reported as a producer of mica.

2. Bureau of Mines records show that an average monthly purchase from May to September 1944 of $127.66 worth of mica were made by Colonial Mica from subject mine.

Recommendation:

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

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

RECEIVED
OCT 10 1955

October 7, 1955

Re: DMEA 4002
Ferguson Mine Co.
Ferguson Mine
Macon Co., N. C.
$6,993.00 - Mica

Memorandum

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

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

Subject: Review of application.

I have no information on this mine.

The applicant has sunk 35 feet on a pegmatite and recovered some mica (amount not stated), but the vein " . . . shows promise to the northeast and to a greater depth." The promises may warrant a look and possibly a staged work program, including, if feasible, a thorough stripping of the vein.

Referral to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

October 6, 1955

Subject: DMEA-4002
Re: Exploration Assistance
Ferguson Mine

Ferguson Mine Company
c/o Harry Moses
Route #5
Franklin, N. C.

Dear Mr. Moses:

The receipt of your application dated September 27, 1955 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4002 and referred to the Non Metallics Minerals Division.

Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

00932

October 6, 1955

Memorandum

To: Executive Officer, DMEA Field Team, Region V.

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region V.

DMEA 4002 Ferguson Mine Company

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

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

September 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application from Ferguson Mine Co., Franklin, N. C.
The Ferguson Mine, Macon County, N. C. (mica)

Enclosed are 3 copies of the subject application, received at this office, with 5 copies of the Consent to Lien and a copy of the lease. The applicant submitted only five copies of the Consent to Lien.

The fourth copy of the application is being kept for our use.

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

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

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

September 30, 1955

Memorandum

To: Operating Committee, DMEA - Washington

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

Subject: Application from Ferguson Mine Co., Franklin, N. C.
The Ferguson Mine, Macon County, N. C. (mica)

Enclosed are 3 copies of the subject application, received at this office, with 5 copies of the Consent to Lien and a copy of the lease. The applicant submitted only five copies of the Consent to Lien.

The fourth copy of the application is being kept for our use.

Robert A. Laurence
EXECUTIVE OFFICER
DMEA REGION V

V. J. Lynch, Member
Bureau of Mines

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

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

Not to be filled in by applicant

Docket No. DMEA-4002
Metal or Mineral Mica
Date Received 10-3-55
Estimated Cost $6,993.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: Harry Moses, Ray Franklin, and Dale Carter d/b/a The Ferguson Mine Company, A Partnership, c/o Harry Moses, Route #5, Franklin, N. C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RECEIVED
SEP 29 1955
U. S. Geological Survey
Geologic Division
Knoxville, Tenn.

16—66551-1

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

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

(*c*) The work will start within 30 days and be completed within 12 months from the date of an exploration project contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

☐ Money ☒ Use of equipment owned by you ☒ Other (Labor)

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated September 27, 1955

THE FERGUSON MINE
(Applicant)

By Harry Moses

General Partner

Route #5, Franklin, N. C.

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

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

SUPPLEMENT TO FORM MF-103

The Ferguson Mine Company
c/o Harry Moses, Partner
Route #5, Franklin, N. C.

4a Three shafts 20 to 30 feet in depth have been sunk about 300 feet apart along the ridge running through property. There is no record available on these operations, but apparantly were dug following an outcropping vein of mica. No tunnels were run out from shafts. Applicants had no interest in these operations. Applicants have sunk 35 feet shafts on premises and shaft shows promise to the northeast for a tunnel venture, and also shows promise to a greater depth. Property is easily accessable for inspection; an automobile may be driven to the mica site.

b Some mica sold in past, but applicants have no knowledge or record to the quanity.

c Property consists of a ridge and a side thereof sloping to the south. Mine site about 600 feet below top of ridge and is on a lead ridge pointing to the north. Outcropping of quartz and flot.--quarts vein follows down the shaft of applicants exploratory operations, together with feldspear, kollin, and bitite some ruby colored sheet mica recovered during process of sinking shaft. It is proposed that the shaft be sunk 40 additional feet from which a tunnel be dug to the north following the general direction of the lead ridge for a distance of 120 feet.

d Project is approximately 3 miles from Franklin, N. C. of which 2 miles is paved, last mile is grated road. Franklin is shipping, supply and resident point. Other residence points near mine.

e Abundance of man power is available; ample water within 200 yards of point, also electrical power within 200 yards, equipment may be rented in Franklin, N. C. and also supplies may be obtained there.

5b See Attached map and refer to 4a.

d Partners Ray Franklin and Dale Carter have long experience in mica mining explorations and operations. Mr. Franklin will be supervisor, and has been working in mica all of mature life.

6

Labor: (160 working days)	
2 laborers @ $1.00 per hour)	$2560.00
1 laborer @ $1.25 per Hour	1600.00
Equipment Rental:	
Air Compressor and Jackhammer	
8 months @ 125.00 per month	$1000.00
Hoist:	
8 months @ 60.00 per month	480.00
Sheds:	
Shed to house Hoist	50.00
Mica & Small Tool Shed	50.00
Small Tools & Equipment, including Replacements:	225.00
Miscel. Supplies including Explosives:	415.00
Timbers for Shaft & Tunnell	280.00
Contingencies (5%)	333.00
TOTAL ESTIMATE COST	$6993.00

Symbols

GAT CREEK

STATE ROAD GRAVEL

V V V MAIN RIDGE (N.W)

< < < LEAD RIDGE (S.E)

NEW SHAFT

OLD WORKS

NO CLIFFS

T T POWER LINES

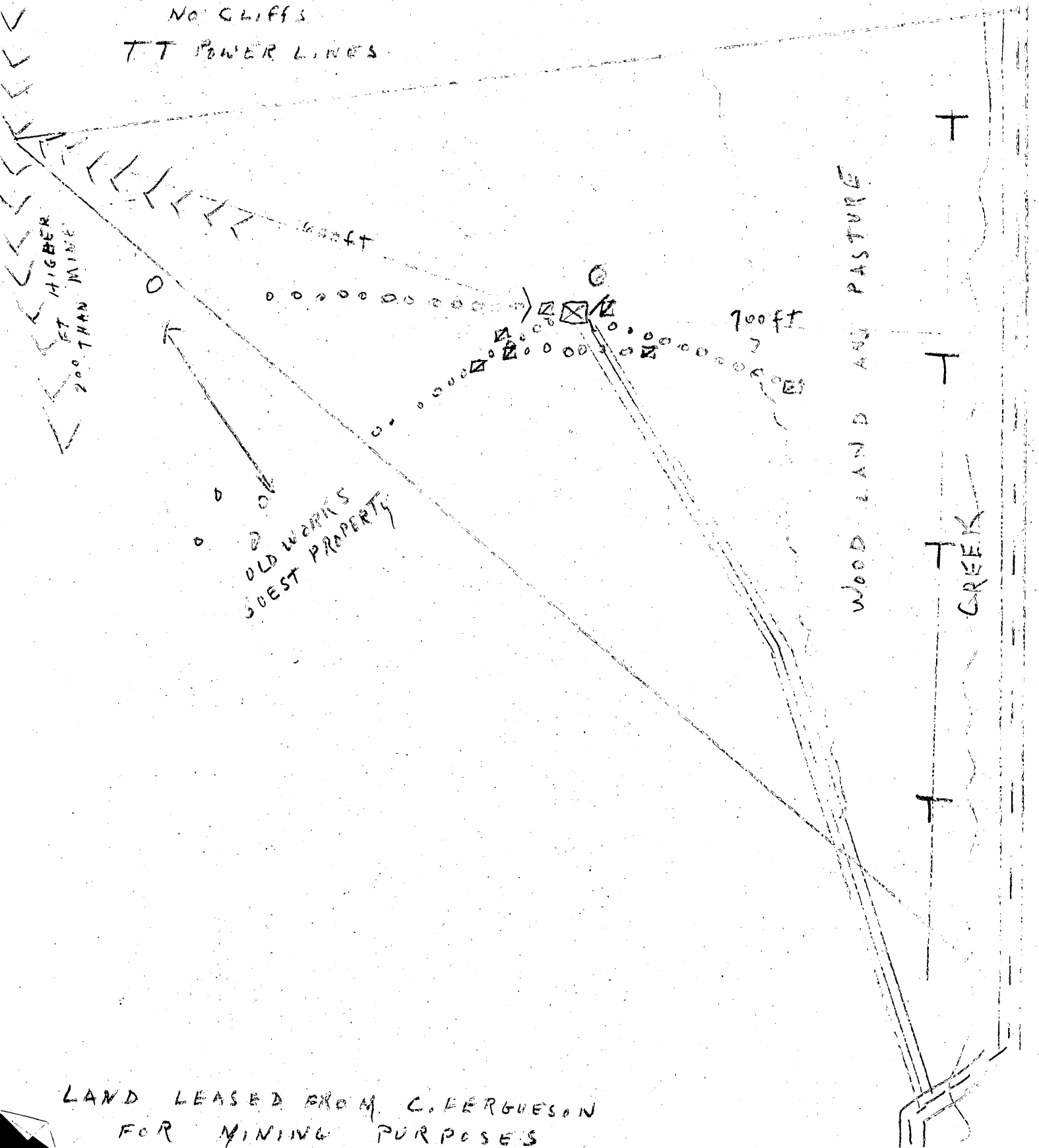
N

ROAD TO MINE

DUMP DOWN HILL

ooo VEINS AND QUARTZ OUTCROPPINGS

VEINS RUN N.W. & W. - N.E



LAND LEASED FROM C. FERGUESON
FOR MINING PURPOSES

LEGAL DESCRIPTION OF FERGUSON MINE PROPERTY

BEGINNING on a willow on the bank of Cat Creek at the fork on the Ga. Rd, runs S. 64° W. 10 poles to a Cedar, then N 58½ W. 9 poles to a white oak, then N. 78½ W 9¼ poles to a sassafras, then N 45 W. 19 poles to a stake, then N. 69 W. 16 poles to a Sourwood, then N 56 W 55 poles to a stake, R. P. McCraken's Corner, then N 55½ East with said R. P. McCrackens line to the creek; thence up the creek to the BEGINNING CORNER.

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

September 30, 1955

Mr. Harry Moses
Route # 5
Franklin, N. C.

Dear Mr. Moses:

The application of the Ferguson Mine Company, received at this office, has been forwarded to our Washington office in accordance with established procedure.

We will notify you in advance when an examination is to be made.

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

RAL/zm

cc:
Lynch
Shirley
Opr. Com.
Files