MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

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

RECEIVED
JUL 25 1956

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Mitchell, State of North Carolina, described as follows: 2/ Beginning on an iron stake located at the center of the Hectorfield Mine Prospect which is located 987 feet East of a large Buckeye tree which is the corner between John C. McBee, Sr. and W. Grover Gouge properties as recorded in Book No.52, Page 544, in the Register of Deeds Office, Bakersville, N.C.; and running 100' North; thence 250' East; thence 500' South; thence 500' West; thence 500' North; thence 250' East to a point of closing. This mine located approximately 1/2 mile Southeast of Bandana.

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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;

3. Subordinates the undersigned's right, title, claim, or interest in or against the land and in any production therefrom to the rights of the Government under the contract with respect to royalty on production and liens to secure same;

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6. Consents to all amendments (including an agreement of termination) and assignments o the contract without notice thereof, and undertakes and agrees that this Agreement shall extend and apply thereto.

7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

W Brooner Bonque [Seal] Bandana, N.C. [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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_____

[Corporate Seal]

MF-205
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June 1956

Government's Use Only
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Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

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and
SUBORDINATION AGREEMENT 1/

RECEIVED
JUL 25 1956

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7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

W Graves Gouge [Seal] Bandana, NC [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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_____ [Seal] _____ [Address]

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[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

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

RECEIVED
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7. Added provision: _____ (State "None" or "See Annex No.____")

Dated this _____ day of _____, 195__.

W Grover Gauge [Seal] Bandana, Ky [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

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[Corporate Seal]

MF-205
(Combines and supercedes MF-201 and MF-203)
June 1956

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

RECEIVED
JUL 25 1956

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MF-205
(Combines and supercedes MF-2[illegible] and MF-203)
June 1956

[illegible] Government's Use Only
EXPLO[illegible]ION PROJECT CONTRACT
Operator_____
Docket No. DMEA-_____
Contract No. Idm-E_____
Contract Date_____

RECEIVED
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(Combines and supercedes MF-201 and MF-203)
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_____

[Corporate Seal]

CW

Docket Copy
Surname:
Anderson
Yoder
Kiilsgaard
Selfridge
Johnson

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

SEP 20 1956

Messrs. W. Grover Gouge, Sam Phillips
and John Phillips
C/O Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4396-Mica
W. Grover Gouge, Sam Phillips,
and John Phillips
Hectorfield Mine
Mitchell County, North Carolina

Gentlemen:

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

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

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

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

Sincerely yours,

C. O. Mittendorf

Administrator

WCAnderson:gad 9/19/56
Copy to: Admr. R. File
Docket
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

R.C.B.

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

September 19, 1956

Memorandum

To: Mr. C. O. Mittendorf

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

Subject: Evaluation of application and field examination report.
Docket No. DMEA-4396-Mica
W. Grover Gouge, Sam Phillips and John Phillips
Hectorfield Mine
Mitchell County, North Carolina

Denial of application is recommended.

Mica: Non-ruby (rum) in color, flat, hard and free splitting. Small in size and some is badly stained and not of strategic value.

Pegmatite: Zoned, average thickness 28 feet, generally parallel to foliation of country rock. Medial zone of perthite, quartz and some plagioclase occupy most of the pegmatite. Discontinuous zone of plagioclase and muscovite, 1/2 foot thick occurs at both contacts.

Old Workings: Limited mining about 50 years ago by shallow pits and shafts, which are now filled. Present workings consist of a trench 150 feet long by 50 to 75 feet wide and 15 to 35 feet deep.

Past Production: Data not available.

Recommendation: The Field Team recommends denial because most of the mica is too small to yield trimmed sheet and some is badly stained, and the mica-bearing zones are thin and discontinuous. The Nonmetallic Minerals Division and the commodity members of the Bureau of Mines and the Geological Survey concur.

Walter C. Anderson
Walter C. Anderson
Nonmetallic Minerals Division

A

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

RECEIVED
SEP - 6 1956

September 6, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4396 (mica)

Applicant: W. G. Gouge, S. Phillips, J. Phillips

Name and Location of Property: Hectorfield Mine, Mitchell County, N. C.

Date of Field Team Report: 8/27/56

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 8/31/56

Field Team Recommendation: Recommend denial.

Comments:

1. Most mica observed was too small to yield trimmed sheet and occurred in thin, discontinuous zones.

2. Geological factors show that this deposit is unlikely to produce any sizable quantities of strategic mica.

Recommendation:

I concur with the field team's recommendation for denial.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

August 31, 1956

Re: DMEA 4396
W. Grover Gouge, et al.
Hectorfield Mine
Mitchell County, N. C.
$8,000 - 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 applicants requested assistance in exploring a thick pegmatite which had been recently exposed by bulldozing. Some mining was done 50 years ago, but such openings as may have been made are now filled in.

The examiners, in a large trench, 150 feet X 50-75 feet X 15-35 feet deep, saw a zoned pegmatite up to 28 feet wide. Most of the mica seen is small in size and stained. The mica bearing zones are thin and discontinuous.

The examiners and the Field Team recommend that the application be denied. I concur with the recommendation.

N. E. Nelson

N. E. Nelson

RECEIVED
AUG 31 1956

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

August 27, 1956

Memorandum

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

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

Subject: Field Examination Report, DMEA-4396 (Mica)
W. Grover Gouge, Sam Phillips and John Phillips
Hectorfield Mine, Mitchell County, North Carolina

Enclosed are the original and three copies of the subject examination report. We agree with the recommendation for denial.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 4

Reviewed by
DMEA OPERATING COMMITTEE
8-31-56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

On

DMEA-4396 (mica) HECTORFIELD MINE
Mitchell County, North Carolina

By

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

and

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

August 27, 1956

Reviewed by
DMEA OPERATING COMMITTEE
8-31-56
(date)

FIELD EXAMINATION REPORT

On

DMEA-4396 (mica) HECTORFIELD MINE

Applicant: W. Grover Gouge, Sam Phillips and John Phillips
c/o Sam Phillips, Spruce Pine, North Carolina

Summary

Recent bulldozing at this mine has exposed a thick pegmatite. The mica is small in size, contained only in thin zones and some is badly stained. It is recommended that the application for exploratory assistance be denied.

Location

The Hectorfield mine is 0.9 airline miles S. 61° E. of Bandana, Mitchell County, North Carolina. Access to the property is available by a jeep road.

General

The property was examined on August 21, 1956. Messrs. John Phillips and Clarence Hensley accompanied the examiners on the inspection which required about one hour.

Limited mining was conducted at the Hectorfield mine about 50 years ago by shallow pits and shafts. These openings have been filled since and it is now impossible to determine some of their locations. About four months ago the landowner, Mr. W. Grover Gouge, did considerable bulldozing in order to expose the pegmatite.

Present workings consist of a north-south trending trench 150 feet x 50-75 feet x 15-35 feet deep (see attached map). No surface facilities are present on the property.

Past production of mica from the mine is not known. The shallow character of the old works suggests that it was very small.

Geology

A zoned pegmatite averaging 28 feet in thickness is exposed in the bottom of the trench. Contacts of the pegmatite with the country rock, mica schist, are locally variable in attitude and are for the most part parallel to the foliation of the wall rock. Overall, the body strikes about N. 5° E. and dips approximately 80° to the southeast. The major portion of the pegmatite consists of a medial zone 24-26 feet thick of perthite and quartz containing minor plagioclase. Perthite and quartz exhibit a graphic texture with a gradational increase of quartz toward the center of the body. A discontinuous zone of medium-grained plagioclase and muscovite 1-2 feet thick occurs along both contacts. A large slab-like inclusion of country rock is present near the ~~foot~~hanging wall in the north end of the trench. Extensive slickensides along the contacts suggest the pegmatite is at least in part fault filling.

The muscovite is non-ruby (rum) in color, flat, hard and free-splitting. Some is badly stained and most is too small in size to yield trimmed sheet.

Recommendation

It is recommended that this application for exploratory assistance be denied because (1) most of the mica is too small in size to yield trimmed sheet, (2) the mica-bearing zones are thin and discontinuous, and (3) some of the mica is badly stained and not of strategic quality.

Dewey M. Amos, Geologist
U. S. Geological Survey
L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

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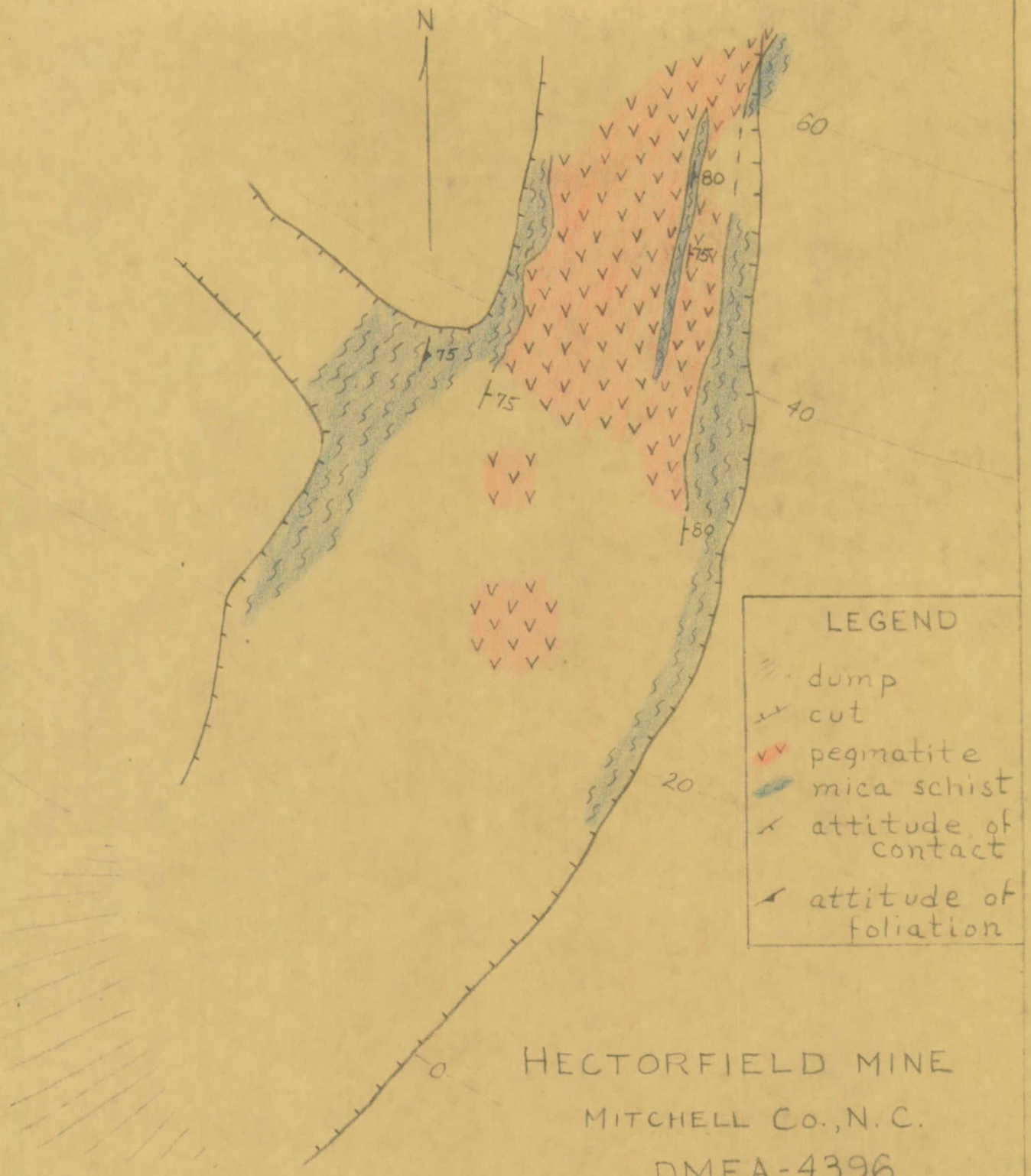


HECTORFIELD MINE

MITCHELL CO., N.C.

DMEA-4396

Aug. 21, 1956

Scale 1" = 20'

DHA

RECEIVED
AUG 20 1956

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

DOCKET COPY
Surname:
Anderson
Houk
Nelson
Martin
Johnson

AUG - 3 1956

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

Re: Docket No. DMEA-4396-mica
W. Grover Gouge, Sam Phillips,
and John Phillips
Hartorfield Mine
Mitchell County, North Carolina

Dear Mr. Lawrence:

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

Copies of memoranda dated July 27 and 30, 1956, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed.

Sincerely yours,

W. S. Martin
(by ls)
ACTING Chairman, Operating Committee

Approved:
/s/ Robert W. Geehan (by ls)
Member, Bureau of Mines
N. E. Nelson (by ls)
Member, Geological Survey

WCAnderson:ms 8/1/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File

Enclosures: 4

R.C.L.

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

DOCKET COPY
Surname:
Anderson
Houk
Kelsey
Gerhan
Martin
Johnson

AUG - 3 1956

Messrs. W. Grover Gouge, Sam Phillips
and John Phillips
c/o Mr. Sam L. Phillips
Spruce Pine, North Carolina

Re: Docket No. DMEA-4396-mica
W. Grover Gouge, Sam Phillips,
and John Phillips
Hectorfield Mine
Mitchell County, North Carolina

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Nonmetallic Minerals Division of the Defense Minerals Exploration Administration and has been referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region 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,

C. O. Mittendorf

Administrator

WCAnderson:ms 8/1/56
Copy to: Docket
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Admr. R. File
Field Team, Region V

R.C.L.

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

RECEIVED
JUL 30 1956

July 30, 1956

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

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

Subject: DMEA-4396 (mica)

Applicant: W. Grover Gouge, Sam Phillips, and John Phillips (Partners)
Spruce Pine, N. C.

Name and Location of Property: Hectorfield Mine Prospect, Mitchell County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 7/25/56

Comments:

1. Applicants request assistance for an exploration project estimated to cost $8,000.00 at the site of a mine reported to have previously produced good quality ruby mica.

2. No records of production are available in this Office for a Hectorfield mine, but 412.85 pounds of mica (average price $10.00 per pound) was sold to the Spruce Pine depot in 1953, 1954, and 1955 from the Hector mine.

3. Although it would be desirable for the applicant to furnish more complete information, it appears that a visit by an examiner would furnish more useful data.

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

Attachment

IN REPLY REFER TO:

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

RECEIVED
JUL 30 1956

July 27, 1956

Re: DMEA 4396
W. Grover Gouge, S. & J. Phillips
Hectorfield Mine prospect
Mitchell Co., N. C.
$8,000.00 - Mica

Memorandum

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

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

Subject: Review of application

The applicant requests assistance in exploring a pegmatite by bulldozing, shaft sinking and drifting.

Little information is given concerning the pegmatite other than saying mining was done years ago and some good ruby mica was produced.

As proposed the work would cost:

Bulldozing	50 hrs @$10.00	$500.00
Shaft	80 feet @ $50.00/ft	4,000.00
Drift	100 feet @ $35.00/ft	3,500.00
	Total	$8,000.00

Referral of the application to the Field Team for appropriate action is recommended.

N. E. Nelson

N. E. Nelson

July 25, 1956

Mr. Sam L. Phillips
Spruce Pine,
North Carolina

Subject: DMEA-4396
Re: Exploration Assistance
Hectorfield Mine Prospect

Dear Mr. Phillips

The receipt of your application dated July 23, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA-4396 and referred to the Nonmetallic Mineral 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

60932

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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

RECEIVED
JUL 25 1956

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. 4396.
Metal or Mineral Mica
Date Received 7-25-56
Estimated Cost $8000.00
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: W. Grover Gouge, Sam Phillips and John Phillips Partnership c/o Sam L. Phillips Spruce Pine, N. C.

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

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

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

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

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

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

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

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

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

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice. none

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

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

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

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

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

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

(*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. See sheet.

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

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

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: See sheet.

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

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

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

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

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

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

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

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

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

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

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

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

Explain in detail on acompanying paper.

CERTIFICATION

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

Dated 7-23-56, 195__

W. Grover Gouge, Sam L. Phillips & John Phillips
(Applicant)

By Sam L. Phillips Partner

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

RECEIVED
JUL 25 1956

MF-103 (Continuation Sheet)

4. (a) This mine has been mined some years ago and some good quality ruby mica has been produced. Applicants has no interest in previous operation.

(b) No records available.

(c) We believe that by furthur exploration work, strategic mica may be found.

(d) Project is accessible to road, except for short distance.

(e) Manpower, equipment and supplies available, bulldoze road access; then lower a 5' x 7' shaft a depth of 80' and drift a distance of 100' with vein.

6. Estimate of cost:

50 hours Bulldozing @ $10.00	$ 500.00
80' Shaft @ $50.00 per ft.	4000.00
100' Drift @ $35.00 per ft.	3500.00
Total estimated cost of Project:	$ 8000.00

RECEIVED
JUL 25 1956

W. Grover Gouge

Mr. Gouge attended school in Mitchell County, for some years he was self employed mining.He has spent the past seven years working for the Kanawha Mfg. Co., Charleston, W. Va., and previous to that he was with, Bechtel Co. Contractors, San Francisco, Calif. and Ford-Bacon and Davis, Monroe, La.

Mr. Gouge is now 64 yrs. old and resides in Bandana, N.C. He lists the following references:

Mr. Milton Duncan
Route 3
Bakersville, N.C.

Mr. Claude Johnson
Route 3
Bakersville,N.C.

Mr. Charlie Huskins
Route 3
Bakersville,N.C.

MINING LEASE

RECEIVED
JUL 25 1956

State of North Carolina Mitchell County:

This indenture made this 19 day of July, 1956, 195~~3~~

between W. Grover Gouge

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and W. Grover Gouge, Sam L. Phillips and John Phillips

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

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

Beginning on an iron stake located at the center of the Hectorfield Mine Prospect which is located 987 feet East of a large Buckeye tree which is the corner between John C. McBee, Sr. and W. Grover Gouge properties as recorded in Book No. 52, Page No. 544, in Register of Deeds Office, Bakersville, N.C.; and running 100' North; thence 250' East; thence 500' South; thence 500' West; thence 500' North; thence 250' East to a point of closing. This mine located approximately 1/2 mile Southeast of Bandana.

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

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part of the first part, or his or their heirs or assigns, a rental royalty of 1/8 (One-Eighth) Gross Sales

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

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

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

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

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

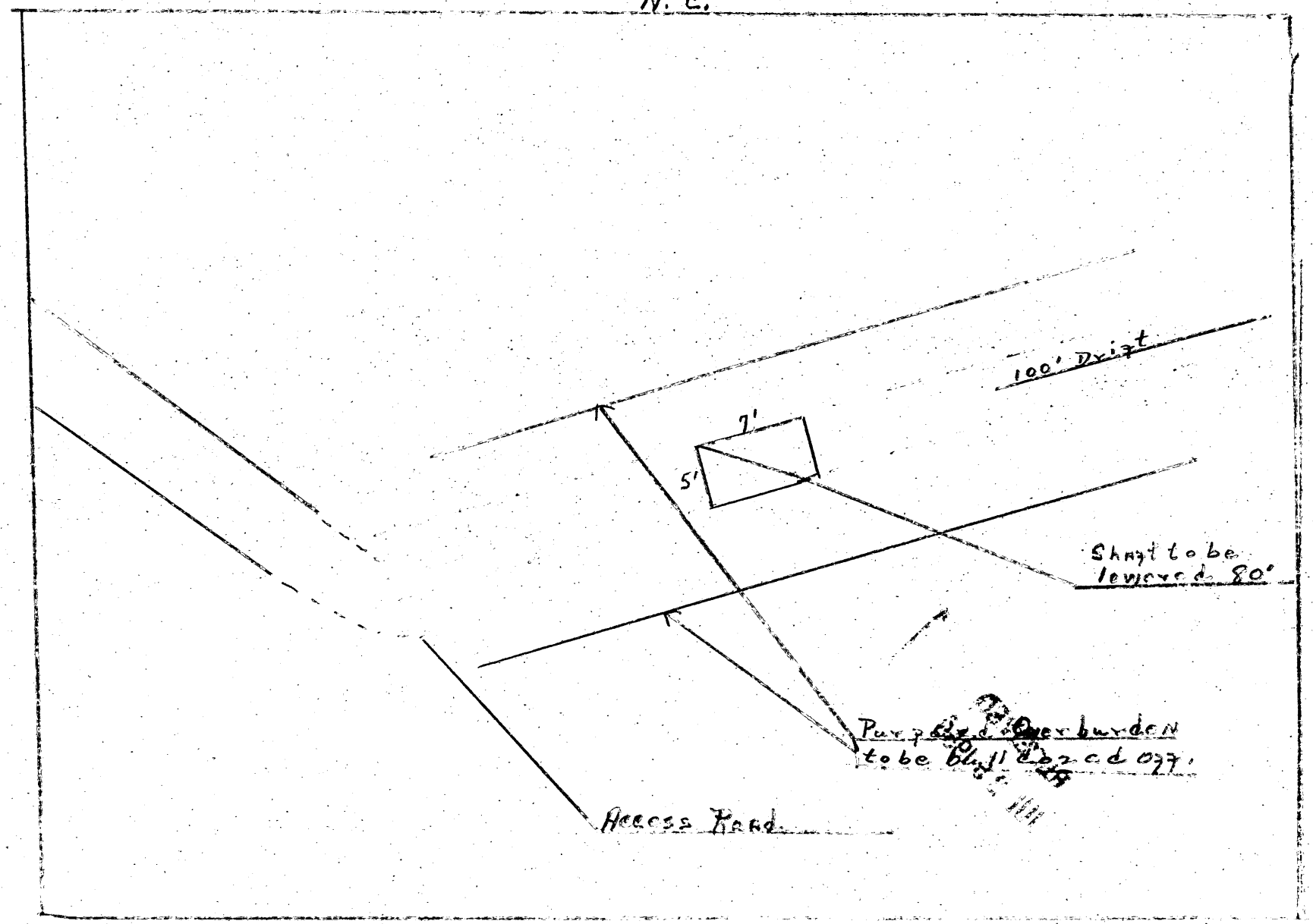
Witness:

W Grover Gouge (Seal)

_____ (Seal)

_____ (Seal)

Hectorfield Mine Prospect
Mitchell County
N. C.



RECEIVED
JUL 25 1958

Mr. Lawrence G. Hack, Chief
Nonmetallic Minerals Division
U. S. Dept of Interior, D. M. E. A.
Washington 25, D. C.