DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4847

Application
- [x] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and attachments

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

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
OCT 14 '57
DMEA

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Yancey, State of North Carolina, described as follows: 2/

Beginning on an iron stake located 50' South of what is known as the Potato Chip Prospect, and running 250' South to a stake, thence 300' East, thence North 600', thence West 600', thence South 600', thence East 300' back to point of closing. The South East corner of this legal description is located South 34° East 900' to the Presley Mine. The North East corner of this description is located North 30° East 1200' to what is known as the Balsam Mine. This property is located approximately three miles South East of Burnsville, N.C., as recorded in Book #1, Page #255, in the Register of Deeds Office in Yancey County.

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;

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;

4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

None

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

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

5. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this Agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land, or any production therefrom furnishing the Government with two copies of such notice; and

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

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

Dated this 9th day of September, 195 7.

X Nu-Way Inc. Julian Wray [Seal] _____ [Address]

By: Ruth G. Wray [Seal] _____ [Address]
Secretary-Treasurer

Mrs Ruby Mae Ray [Seal] _____ [Address]

[illegible] [Seal] _____ [Address]

[illegible] [Seal] _____ [Address]

Mrs Fanny Ray her mark [Seal] _____ [Address]

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]

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
OCT 14 1957
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

Referring to that certain land in the County of Yancey State of North Carolina, described as follows: 2/

Beginning on an iron stake located 90' South of what is known as the Potato Chip Prospect, and running 250' South to a stake, thence 300' East, thence North 600', thence West 600', thence South 600', thence East 300' back to point of closing. The South East corner of this legal description is located South 34° East 900' to the Presley Mine. The North East corner of this description is located North 30° East 1200' to what is known as the Nelson Mine. This property is located approximately three miles South East of Burnsville, N.C., as recorded in Book #1, Page #255, in the Register of Deeds Office in Yancey County.

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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;

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4. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none." Do not leave lines blank.)

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

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

Dated this 9th day of September, 1957.

X Nu-Wray, Inc. Julia Wray	[Seal]		[Address]
By- Rush T. Wray Secretary-Treasurer	[Seal]		[Address]
Mrs Ruby Mae Ray	[Seal]		[Address]
Joseph P. Huggins Lessee	[Seal]		[Address]
Mrs Joseph P. Huggins by X G.C. Hunter (agent	[Seal]		[Address]
Mrs Pansy Ray her X mark	[Seal]		[Address]

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]

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 _____

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

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

Dated this 9th day of September, 1957

X Nu-Wray, Inc. Julia Wray [Seal] _____ [Address]

By- Ruby T. Wray [Seal] _____ [Address]
Secretary-Treasurer

Mrs Ruby May Ray [Seal] _____ [Address]

Lover R. Ray Executor [Seal] _____ [Address]

Mrs Ida A. Higginbotham [Seal] _____ [Address]
H C Higginbotham Agent

X Mrs Panay Ray her X mark [Seal] _____ [Address]

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]

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
OCT 14 1957
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

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

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

Dated this 6th day of September, 1957

Nu-Wray, Inc. Julia Wray [Seal] _____ [Address]

By- Ruth T. Wray [Seal] _____ [Address]
Secretary-Treasurer

Mrs Ruby Mae Gray [Seal] _____ [Address]

Lover R. Gaulden [Seal] _____ [Address]

Mrs Jo Huggins by G.C. Huggins, agent [Seal] _____ [Address]

Mrs Fancy Ray her mark [Seal] _____ [Address]

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]

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

John Phillips

Spruce Pine, North Carolina

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4847

Date Received: 10/14/57

Government Participation %:

Region: V

Division Code: 600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [ ]
- Partnership [X]
- Other (Specify) [ ]

State in which firm is organized: N.C.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
John Phillips	Spruce Pine, North Carolina	Partner
Sam Phillips	Spruce Pine, North Carolina	"

Mineral(s) for which you wish to explore: Mica

Estimated Cost of Project: $ 8500.00

LOCATION OF PROPERTY

Name	County	State
Potato Chip Prospect	Yancey	N.C.

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

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.

10-10-57
Dated

John Phillips
BY *(Signature)*

Partner
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work.* Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

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)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 14 1957
DATE | INITIALS | CODE

MT-103 (Continuation Sheet)

1. (a) Description on lease.

(B) Prospect will be known as the Potato Chip Prospect.

(c) Lessee

(d) No lien.

2. (a) There has been some work done at this mine, and some good ruby mica was recovered.

(b) Applicant has no interest in previous operations.

(c) No records available.

(d) This mine has a past record of producing some good quality ruby mica.

(e) Pegmatite vein.

(f) There is an existing shaft, and we beleive from the looks of the old works that with further exploration work that good ruby mica will be recovered.

3. (a) Road access will have to be bulldozed out. John Phillips will meet DMEA representatives at Spruce Pine, North Carolina, and go with them to the mine which is located approximately three miles South East of Burnsville, N.C.

(b) Road access to be bulldozed, supplies, manpower, and equipment are available.

4. (a) We propose to bulldoze road access, remove overburden to best locate shaft site, rehabilitate 30' of existing shaft, then deepen shaft 70' and drift with vein a distance of 100'.

(b) 350 yds. of road access to be bulldozed.

(c) Work can begin within 15 days after contract is received, and project can be completed within 6 months.

5. Now on file with DMEA.

6. Estimate of costs:

40 hrs. bulldozing @ $10.00 per hour	$ 400.00
Rehabilitate 30' of existing shaft @ $20.00 per ft.	600.00
70' Deepen Shaft @ $50.00 per foot	3500.00
100' Drift @ $40.00 per foot	4000.00
Total estimated cost of project:	$ 8500.00

7. (a) Will share cost of proposed project. (b) Money and equipment.

MINING LEASE

State of North Carolina Yancey County:

This indenture made this 9th. day of September, 1957, 195~~7~~;

between Mrs. J.A. Higgins, Mrs. Pansy Ray, Nu-Wray, Inc., Dover R. Fouts, Executor of Charles F. Byrd Estate, and Mrs. Ruby Mae Ray of the State of Washington.

of Yancey County and State of North Carolina as party of the first part, and known as lessor, and John Phillips

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

RECEIVED OCT 14 1957

WITNESSETH, That the part 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 50' South of what is known as the Potato Chip Prospect, and running 250' South to a stake, thence 300' East, thence North 600', thence West 600', thence South 600', thence East 300' back to point of closing. The South East corner of this legal description is located South 34° East 900' to the Presley Mine. The North East corner of this description is located North 30° East 1200' to what is known as the Balsam Mine. This property is located approximately three miles South East of Burnsville, N.C., as recorded in Book #1, Page #255, in the Register of Deeds Office in Yancey County.

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.

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.

Mrs J A Higgins by G A Henry Jr Agent (SEAL)

Witness: Lorena D. Tuttle (Seal)

Mrs Pansy Ray for mark (Seal)

Mrs Ruby Mae Ray (Seal)

(Seal)

Attest: Rush T. Wray
Secretary-Treasurer

Nu-Wray, Inc.
By Julian Wray
President

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

Personally came before me this day Mrs. J. A. Higgins, Mrs. Pansy Ray and Dover R. Fouts, Executor of the Estate of Charles F. Byrd, to me well known to be the persons who signed the foregoing Mining Lease and who acknowledged the due execution of said instrument by themselves for the purposes therein expressed.

Witness my hand and notarial seal this the 21 day of September, 1957.

Gm Angel
Notary Public

My commission expires the 21 day of April, 1959.

STATE OF WASHINGTON

CITY OF WALLA WALLA

Personally came before me this day Mrs. Ruby Mae Ray, to me well known to be the person who signed the foregoing Mining Lease and who acknowledged the due execution of said instrument by herself for the purposes therein expressed.

Witness my hand and notarial seal this the 2 day of ~~September~~ Oct, 1957.

Robert S Lamar
Notary Public

My commission expires the 4 day of Oct, 1961.

STATE OF NORTH CAROLINA

COUNTY OF YANCEY

Personally came before me this day Mrs. Julia Wray, who, being first duly sworn, says:

That she is President of Nu-Wray, Inc., one of the Grantors in the foregoing Mining Lease, and that Rush Wray is Secretary of said Corporation; that she knows the corporate seal of said Corporation; and that she, the said Julia Wray, signed said instrument as President of said Corporation and Rush Wray signed said instrument as Secretary in attestation thereof and he, the said Rush Wray, affixed the corporate seal to said instrument in the presence of said President and that said instrument is act and deed of said Corporation and the execution thereof was duly authorized by the Board of Directors duly given.

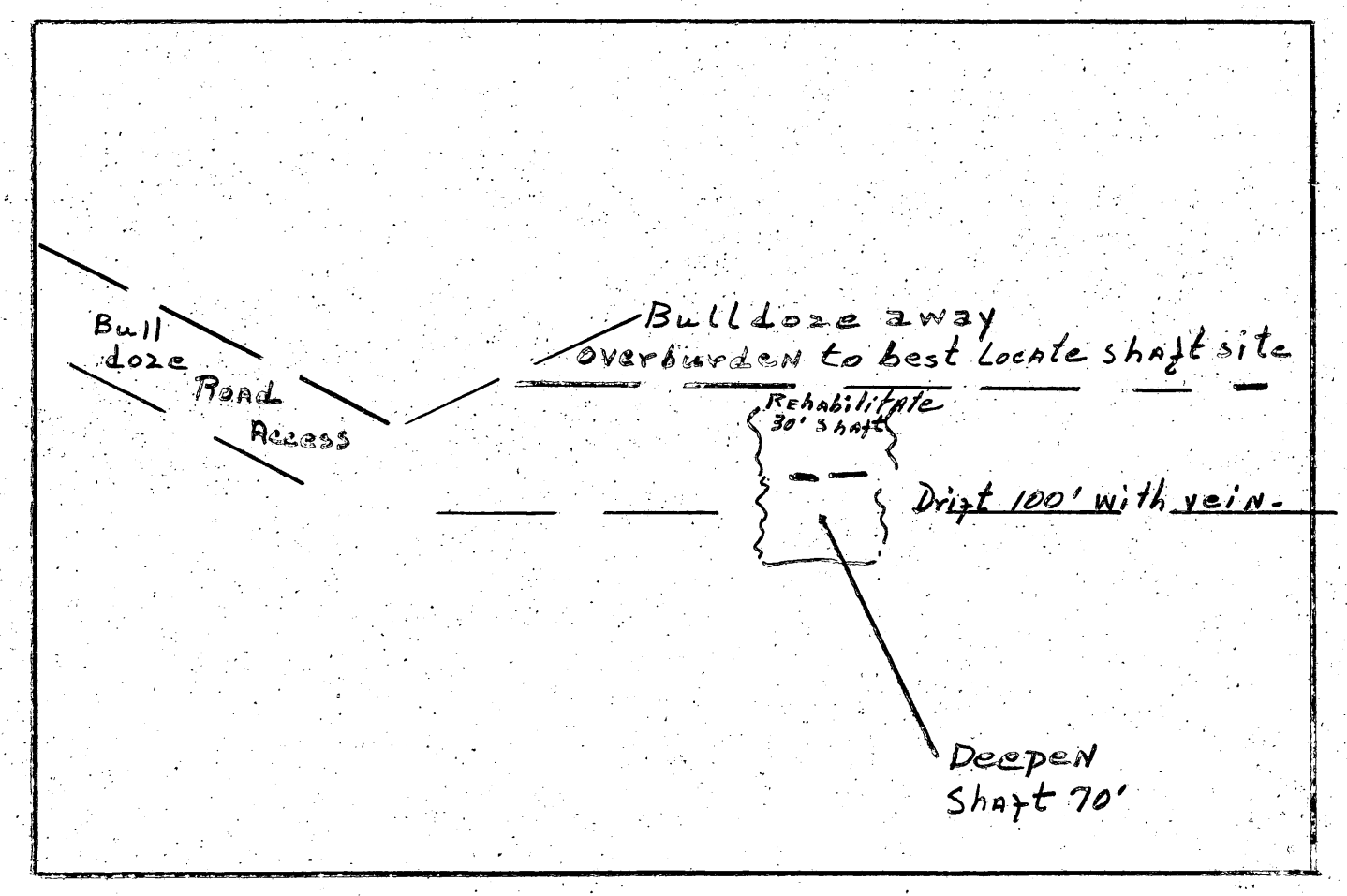
Witness my hand an notarial seal this the 21 day of September, 1957.

H M Angel
Notary Public

My commission expires the 5 day of April, 1959.

Potato Chip Prospect

Yancey County, N.C.



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~~Mr Harry Lang Chief Branch of Education and Research Bureau of Indian Affairs~~	RUN	~~Miss Durkee Room 6326~~	RUN
	STOP		STOP
~~Rm 2447~~ ~~Dorothy Warnock~~	RUN	~~Mr Hy~~	RUN
	STOP		STOP
Miss Elizabeth Henson Pay Roll Section 2513	RUN	Dr. Malone Bur. Indian Affairs Property & Supply	RUN
	STOP		STOP
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	STOP		STOP
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DMEA Form 7
(12-56)

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1/22	Houk	600
1/24	Selbridge	130
1/24	Lauck	130
1/24	Kilsgaard	130
"	Olson	110
"	Mittendorf	100
1/27		220
		600

600

JAN 24 1958

Messrs. John and Sam Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-~~4647-Mica~~
John and Sam Phillips
Potato Chip Prospect
Yancey 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 (for)

Administrator

W6Anderson:rsi 1/22/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Field Team, Region V
Mr. Houk

8623

DMEA Form 7
(12-56)

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Date	Surname	Code
1/22	Anderson	600
1/22	Houk	600
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		100
		220

600

January 22, 1958

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Lawrence G. Houk, Director, Division of Nonmetallic Minerals

Subject: Evaluation of application and field examination report.
Docket No. DMEA-4847-Mica
John and Sam Phillips
Potato Chip Prospect
Yancey County, North Carolina

Denial of application is recommended.

Mica: Sparse occurrence, a few thin books up to 2 inches by 2 inches in size. Reddish brown, some "A" reeving, waviness, bending, and hair cracking.

Pegmatite: Two unzoned, concordant pegmatites separated by two feet of country rock, poorly exposed over a strike length of 76 feet. One pegmatite is six feet thick at one end, tapering to nothing at other end. Second pegmatite is eight feet thick. Consists of fine to medium-fine grained plagioclase, with minor fine grained interstitial and graphic textured quartz.

Workings: Two shallow trenches and a 12 foot deep incline.

Past Production: None.

Method of Exploring: Applicants proposed the following:

40 hours of bulldozing @ $10.00/hr.	$400.00
Rehabilitation of existing shaft	600.00
70 feet of shaft @ $50.00/ft.	3,500.00
100 feet of drift @ $40.00/ft.	4,000.00
Amount requested	$8,500.00

Recommendation: Because the exposed pegmatites have poor mineralogical and textural environment, both being entirely too fine-grained and deficient in strategic size mica, the Field Team recommends denial. The Division of Nonmetallic Minerals and the Commodity Members of the Geological and Bureau of Mines concur.

WCAnderson:rsi 1/22/58
Copy to: Admr. R. File
Mr. Houk

Walter C. Anderson

8623

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

January 15, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4847 (mica)

Applicant: Sam and John Phillips

Name and Location of Property: Potato Chip Prospect, Yancey County, N. C.

Date of Field Team Report: January 8, 1958

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: January 13, 1958

Field Team Recommendation: Recommend that application be denied.

Comments:

1. Two parallel concordant pegmatites are poorly exposed in shallow strike trenched for 76 feet.
2. Mica seen was of small size, poor quality, and scarce.
3. Geological factors show that this deposit is unlikely to produce any sizable quantities of strategic mica.

Recommendation:

I concur with the recommendation of the field team that the application be denied.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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1/15	gb	220
1/16	Houk	600

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

January 14, 1958
Re: DMEA 4847
Sam and John Phillips
Potato Chip Prospect
Yancey County, North Carolina
$8,500.00 - 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 applicants requested assistance in doing exploratory work consisting of bulldozing, shaft sinking, and drifting in a mine said by the applicants to have a "past record of producing some good quality ruby mica". If any strategic mica was produced, the quantity was probably small.

The examiners found two parallel pegmatites exposed in several shallow strike trenches. In the opinion of the examiners ..."both pegmatites are entirely too fine-grained and deficient in strategic size muscovite to be considered promising for exploration purposes". They recommend that the application be denied.

I concur with the recommendation.

N. E. Nelson

N. E. Nelson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

ROOM 13 POST OFFICE BLDG.
KNOXVILLE 2, TENN.

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1/14	Hawk	600

January 8, 1958

Memorandum

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

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

Subject: Examination Report, DMEA-4847 (Mica)
Sam and John Phillips, Spruce Pine, North Carolina
Potato Chip Prospect, Yancey County, North Carolina

Enclosed are the original and two copies of the field examination report on the Potato Chip prospect. We agree with the recommendation of the Field Examiners that the application be denied.

Robert A. Laurence
Robert A. Laurence
Executive Officer

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

Enclosures 3

Reviewed by
DMEA OPERATING COMMITTEE
1-13-58
(Date)

On-Site Exam Rpt

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UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FIELD EXAMINATION REPORT
REGION V

DMEA-4847(mica) POTATO CHIP PROSPECT
Yancey County, North Carolina

S. C. Bergman, Geologist
Geological Survey

S. A. Feitler, Mining Engineer
Bureau of Mines

January 7, 1958

Reviewed by
DMEA OPERATIONS COMMITTEE
1-13-58
(Date)

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FIELD EXAMINATION REPORT

DMEA-4847(mica) POTATO CHIP PROSPECT
Yancey County, North Carolina

Applicants: Sam and John Phillips, Spruce Pine, ~~North Carolina~~

SUMMARY

Two concordant and closely parallel, northeast-trending pegmatites have been trenched and incompletely exposed over a strike-length distance of 76 feet (see map). The structures are from 6 to 8 feet or more thick and generally fine-grained and mica deficient. The few pieces of muscovite seen were small and of poor quality. It is recommended that the application be denied.

INTRODUCTION

Location:

The prospect is located on the nose of a small subsidiary ridge on the west slope of Crabtree Mountain at an elevation of approximately 4200 feet. It is about 1900 ft west-northwest of the Balsam Mine (DMEA-2733), and about 1400 feet north-northwest of the S. W. Presnell (Pressley)Mine (DMEA-2790). The site is located in the northeast 1/9th of the Black Brothers, N. C. Quad., USGS-TVA Ed. 1947 (200SE), 1:24,000, 2.52 airline miles N61°E of the intersection of State Highway 197, and the Cattail Creek Road at Pensacola, Yancey County, N. C.

Examination:

An examination was made of the subject prospect Nov. 12, 1957. The Examiners were accompanied by Mr. John Phillips.

Two shallow trenches have been excavated along the strike of the pegmatites for a distance of 76 ft in a general N45°E direction (see map). Near the northeast end of the exposure, a narrow, partly caved incline has been driven downdip about 12 feet.

Nothing is known about the age or origin of these excavations. The site is on a moderately steep, heavily brush-covered slope, and accessibility is difficult. No equipment or facilities are present.

GEOLOGY

Two parallel concordant pegmatites are poorly exposed in several shallow strike trenches over a distance of 76 ft. The northwesterly pegmatite strikes N50°E and dips 60 to 75°NW. It tapers from about 6 ft in thickness at the southwest end of the exposure to nothing at the northeastern end. One to two feet of country rock separates the two pegmatites. The southeastern pegmatite is exposed only along its hangingwall contact which strikes N45°E and dips 80°NW to vertical. The structure appears to be at least 8 ft thick. Pegmatite is concordantly emplaced in a fine-grained garnetiferous, quartz-muscovite-biotite schist. Kyanitic mica gneiss is a common float constituent of the surrounding soil.

Pegmatite consists of an unzoned aggregate of fine to medium-fine grained plagioclase, with minor very fine grained interstitial and commonly graphic textured quartz. Minor fine grained muscovite, sericite, and biotite, commonly altered to vermiculite are present. A few small thin books of muscovite were seen in sizes up to 2" x 2" across. The mica is a very light reddish brown color with some "A" reeving, waviness, bending, and hair cracking. Isolated specks of oxide intergrowth were noted near the crystal margins. Production from the site of strategic muscovite, if any, is unknown.

CONCLUSIONS AND RECOMMENDATIONS

The exposed pegmatite appear to have some structureal continuity, but a rather poor mineralogical and textural environment. Both pegmatites are entirely too fine-grained and deficient in strategic-

size muscovite to be considered promising for exploration purpose. The Examiners recommend that the application be denied.

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

S. A. Feitler, Mining Engineer
Bureau of Mines

January 7, 1958

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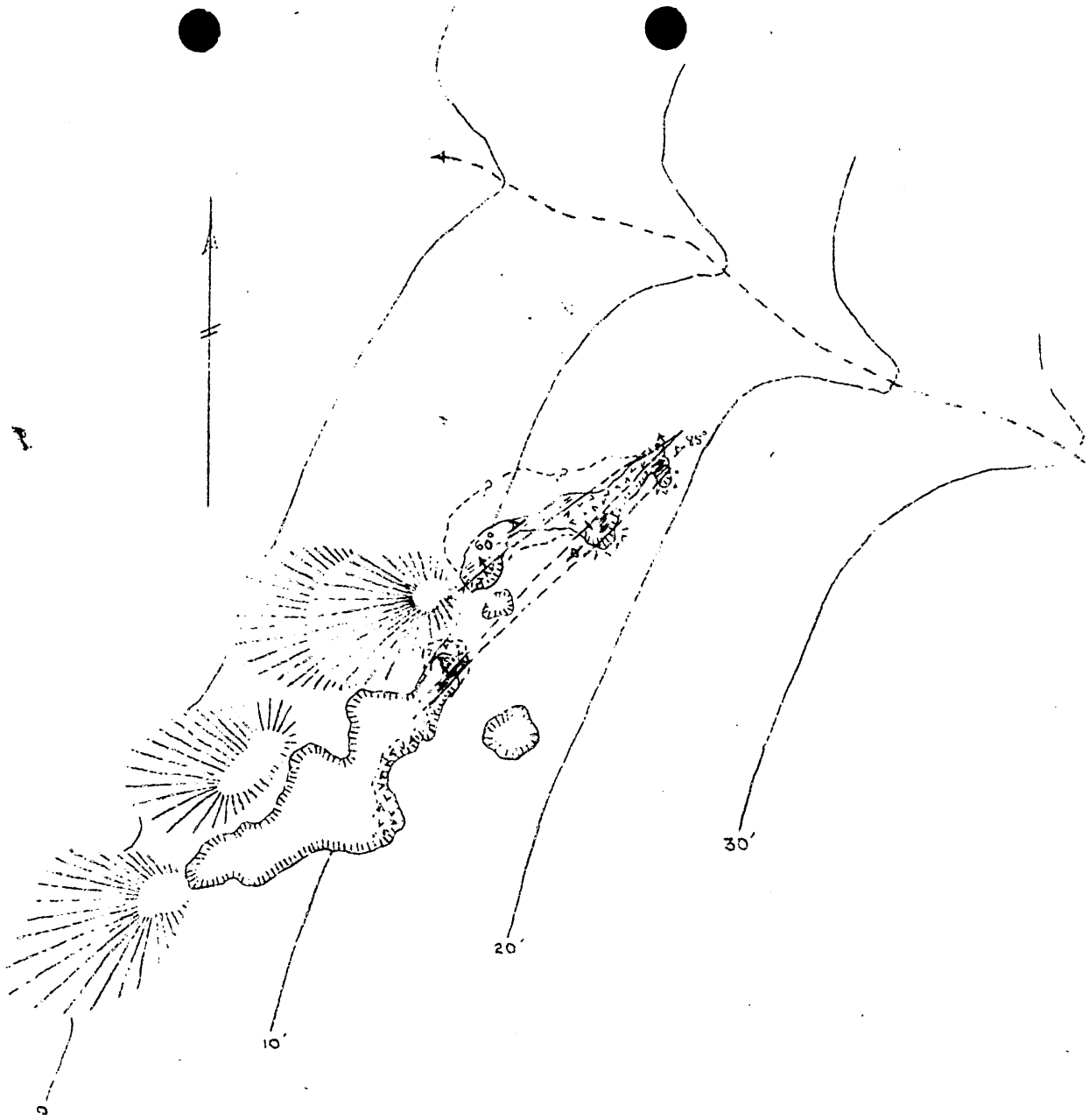

LEGEND

- PLAG.-QTZ.-MUSCOVITE PEGMATITE
- QTZ.-MUSCOVITE-BIOTITE SCHIST
- EXCAVATION
- DUMP

POTATO CHIP PROSPECT
YANCEY COUNTY, NORTH CAROLINA

DMEA-4847 (MICA)

SCALE: 1" = 20'

SCB 11/57

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(12-56)

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Date	Surname	Code
10/28	Anderson	600
10/28	Houk	600
10/30	[illegible]	130
"	Johnson	110
		~~100~~
		220

600

OCT 30 1957

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

Re: Docket No. DMEA-4847-Mica
John Phillips and Sam Phillips
Potato Chip Prospect
Yancey 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 16 and 22, 1957, by Mr. Milford L. Skow, USBM, and Mr. W. P. Williams, USGS, respectively, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Approved:

Frank D. Lamb (JHB)
Member, Bureau of Mines

W. P. Williams (JHB)
Member, Geological Survey

Enclosures 5

WCAnderson:gad 10/28/57
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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(12-56)

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10/28	Houk	600
10/30	Selbridge	130
10/30	Lamb	130
10/30	Williams	130
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OCT 30 1957

Messrs. John and Sam Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4847-Mica
John Phillips and Sam Phillips
Potato Chip Prospect
Yancey County, North Carolina

Gentlemen:

Your application for assistance in exploring the subject property has been reviewed by the Division of Nonmetallic Minerals 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 (for)

ACTING Administrator

WCAnderson:gad 10/28/57
Copy to: Admr. R. File
Field Team, Region V
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

8623

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

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Memorandum

October 22, 1957

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

From: W. P. Williams, U. S. Geological Survey

Subject: Review of application, DMEA 4847 (mica), Phillips and Phillips, Potato Chip prospect, Yancey County, North Carolina.

The applicant proposes to explore for strategic-grade mica on a property located about 3 miles southeast of Burnsville, North Carolina. The applicant states that he has no records but that "this mine has a past record of producing some good quality ruby mica."

The proposed project would consist of access road construction, shaft rehabilitation, shaft sinking, and drifting at a total estimated cost of $8,500.

A crude sketch map, attached to the application, does little else than list the principal items of work proposed.

As I have no recent specific data about the property, I recommend that the applicant's property and work proposals be evaluated by the Field Team through field examination.

W. P. Williams

W. P. Williams

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

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October 16, 1957

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Acting Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4847 (mica)

Applicant: John Phillips and Sam Phillips (a partnership)

Name and Location of Property: Potato Chip Prospect, Yancey County, N. C.

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 10/14/57

Comments:

1. Applicants wish to explore a pegmatite vein from which they claim good quality ruby-mica has been recovered in the past.

2. Exploration proposed by applicants is consistent with local practices and in line with unit-cost estimates for other DMEA projects.

3. Although it would be desirable for the applicants 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.

Milford L. Skow

Milford L. Skow

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

October 14, 1957

Mr. John Phillips
Spruce Pine
North Carolina

Dear Mr. Phillips:

Subject: DMEA-4847

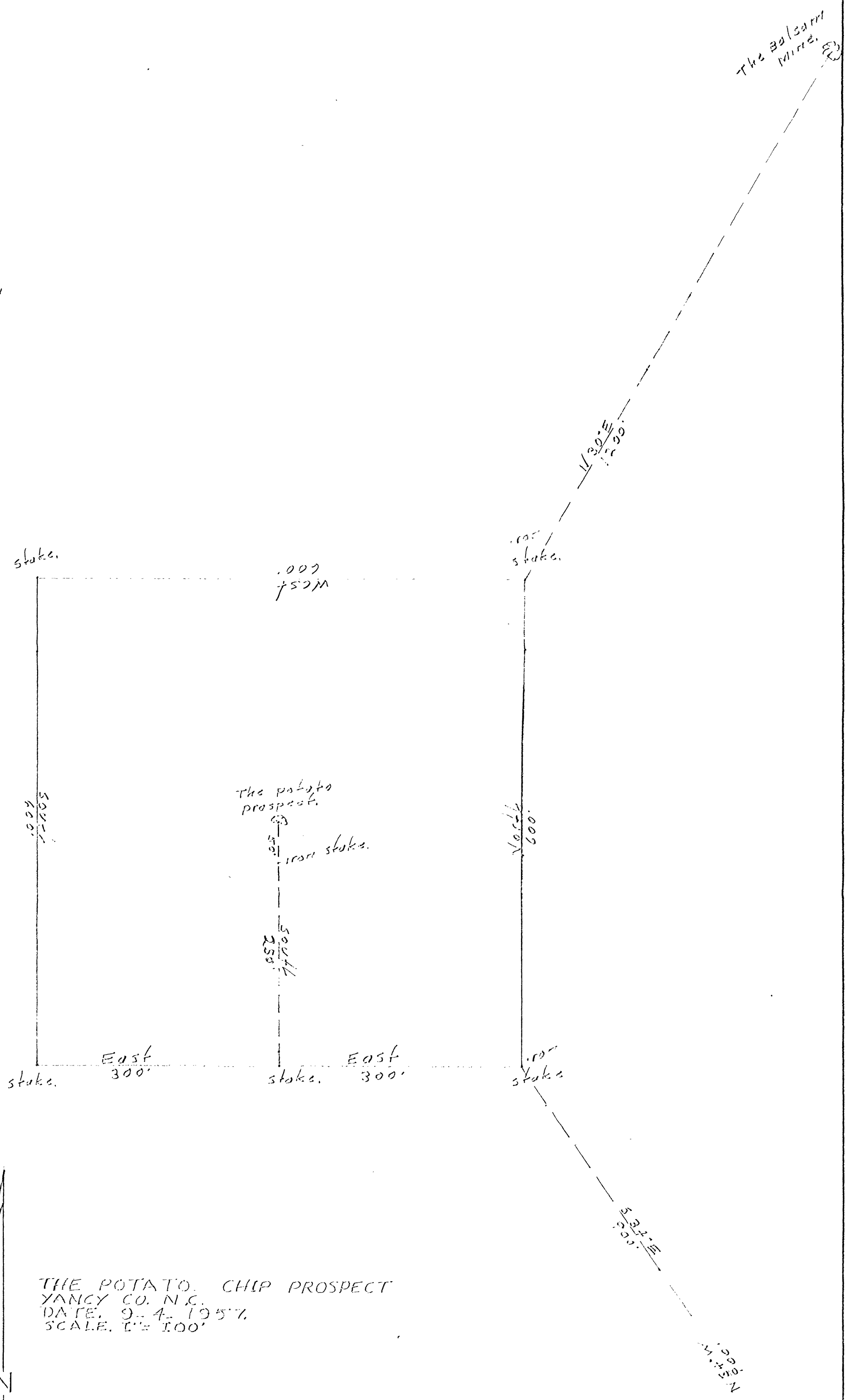
Your application for exploration assistance, dated October 10, 1957 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4847 and referred to the Nonmetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region V



THE POTATO CHIP PROSPECT
YANCY CO. N.C.
DATE. 9-4-1957.
SCALE. 1" = 100'