DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE  Idm-E NO._____  DMEA NO. 4941

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- [ ] Withdrawn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**

- [x] Project summary (final)
- [ ] Work Comoleted 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

17963

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 FEB 13 1958 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 Mitchell, State of North Carolina, described as follows: 2/

Beginning on a stake which is located South 50' from what is known as the Ben Prospect, thence South 250' to a stake, thence East 300' to a stake, thence North 600' to an iron stake, thence West 600' to a stake, thence South 600' to a stake, thence East 300' to the point of closing. The North East corner of this legal description is located North 50° West 184' from the Roby Mine, also the North East corner of the legal description is located North 31° East 225' from the Branch Mine. This property is located approximately 4½ miles North East of Bakersville, N.C., as recorded in Register of Deeds Office in Mitchell Co., book #106 at page #35.

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

Dated this 10th day of February, 1958.

H H McKinney [Seal] Rt. 1, Bakersville, N.C. [Address]

Dollie McKinney [Seal] " " [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [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]

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

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
Ft. 13 1958

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and
SUBORDINATION AGREEMENT 1/

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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;

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

Dated this 10th day of February, 1958.

H H McKinney [Seal] Rt. 1, Bakersville, N.C. [Address]

Dollie McKinney [Seal] " " [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [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
FEB 13 1958
D.M.E.A.

CONSENT TO LIEN
and
SUBORDINATION AGREEMENT 1/

To the United States of America:

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

Dated this 10th day of February, 1958.

H H McKinney [Seal] Rt. 1 Bakersville, N.C. [Address]

Dollie McKinney [Seal] " " [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [Seal] _____ [Address]

_____ [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
FEB 13 1958
D.M.E.A.

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

Dated this 10th. day of February, 1958.

| | | | |
|---|---|---|---|
| W. F. McKinney | [Seal] | Rt. 1, Bakersville, N.C. | [Address] |
| Dollie McKinney | [Seal] | " " | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [Seal] | | [Address] |
| | [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 Oct. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR

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

DEFENSE MINERALS EXPLORATION ADMINISTRATION

# 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)

Sam L. Phillips
Spruce Pine, N.C.

RECEIVED FEB 13 1958 D.M.E.A.

**APPLICANT NOT TO USE THIS BLOCK**

| | |
|---|---|
| Docket Number | 4941 |
| Date Received | 2/13/58 |
| Government Participation % | |
| Region | V |
| Division Code | 60-0 |

**BUSINESS ORGANIZATION** (Check one)

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

State in which firm is organized

**LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE**

| Name | Address | Title |
|---|---|---|
| Roger McKinney | Rt. 1, Bakersville, N.C. | Partnership |
| Paul McMahan | Rt. 1, Bakersville, N.C. | " |
| Sam L. Phillips | , Spruce Pine, N.C. | " |
| John Phillips | , Spruce Pine, N.C. | " |

Mineral(s) for which you wish to explore
Mica

Estimated Cost of Project
$ 8500.00

**LOCATION OF PROPERTY**

| Name | County | State |
|---|---|---|
| 4½ miles N.E of Bakersville, "Ben Prospect" | Mitchell | N.C. |

## GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order–I, Revised, "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.

2-10-58
*Dated*

Sam L. 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, Revised.

*(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. 25960

MF - 103 (Continuation Sheet)

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 13 1958
DATE CODE

1. (a) Description on lease.

   (b) Prospect will be known as the Ben Prospect.

   (c) Lessee

   (d) No Lien.

2. (a) This is a new prospect, no previous operations.

   (b) No previous operations.

   (c) No past production.

   (d) There appears to be a significant amount of strategic grade mica showing in the vein material.

   (e) Pegmatite vein.

   (f) There is an out-cropping of vein on the surface, and we believe with exploration work good quality non-ruby mica will be recovered.

3. (a) We propose to bulldoze 300' of road access. Paul McMahan will meet the D.M.E.A. representatives at Zeb Buchanan's Service Station in Bakersville, N.C., and go with them to the mine, which is located 4½ miles northeast of Bakersville, N.C.

   (b) Road access will be dozed, manpower, equipment and supplies are available.

4. (a) We propose to bulldoze road access, bulldoze away overburden to best locate shaft, then sink a 5' X 7' shaft a depth of 80', then drift with vein for a distance of 100'.

   (b) 300' of road access to be built.

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

5. Now on file with D.M.E.A.

6. Estimated cost of project:

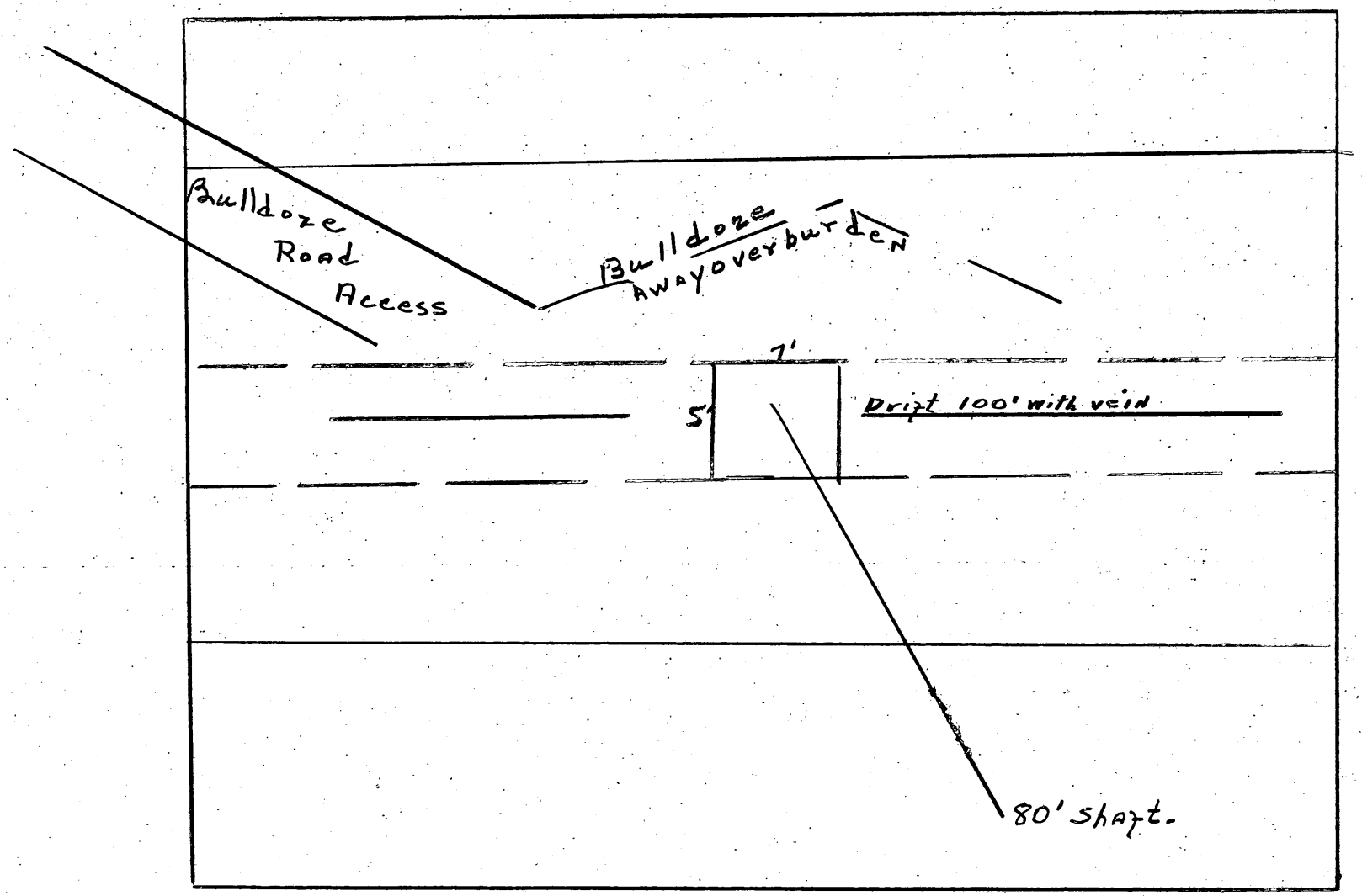
| | |
|---|---|
| 50 hrs. bulldozing @ $10.00 per hr. - - - - - - - - - | $ 500.00 |
| 80' Shaft @ $50.00 per foot - - - - - - - - - - - - - | 4000.00 |
| 100' Drift @ $40.00 per foot - - - - - - - - - - - - - | 4000.00 |
| Total estimated cost of project: | $ 8500.00 |

7. (a) Will share cost of proposed project.

   (b) Money and equipment.

# Ben Prospect

## Mitchell County, N.C.



# MINING LEASE

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DMEA
RECEIVED FEB 13 1958
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State of North Carolina Mitchell County

This indenture made this 10th day of February, 1958

between H.H. McKinney and Dollie McKinney

of Mitchell County and State of North Carolina as party of the first part, and known as lessor, and Paul McMahan, Roger McKinney, John and Sam L. Phillips

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

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 a stake which is located South 50' from what is known as the Ben Prospect, thence South 250' to a stake, thence East 300' to a stake, thence North 600' to an iron stake, thence West 600' to a stake, thence South 600' to a stake, thence East 300' to the point of closing. The North East corner of this legal description is located North 50° West 184' from the Roby Mine, also the North East corner of the legal description is located North 31° East 225' from the Branch Mine. This property is located approximately 4½ miles North East of Bakersville, N.C., as recorded in the Register of Deeds Office in Mitchell Co., book #106, at page #35.

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 royalty (12½%)

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:
R. P. Greene
CSC

H H McKinney (Seal)
Dollie McKinney

DMEA Form 7
(12-56)

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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-4941-Mica
Sam L. Phillips, et al.
Ben Prospect
Mitchell County, North Carolina

Denial of application is recommended.

Mica: No mica of strategic quality was seen in place in the exposure, but the Applicants reported that the mica recovered was of medium quality.

Pegmatite: Composed of medium-grained plagioclase, quartz, biotite and muscovite. Several irregular coalescing pegmatite lenses intruded into interlayered mica and hornblende gneiss exposed in the cut. Lenses range from 1 to 5 feet thick and exposed along strike for about 20 feet. Not considered a suitable geologic target.

Past production: Small open cut about 50 feet long with a pit 20 feet long and about 13 feet deep near the center was dug in June, 1957. Applicants report that about $80.00 worth of trimmed mica was recovered.

Applicants' proposal:

| | |
|---|---|
| Bulldoze access road and overburden, 50 hrs. @ $10/hr. | $500.00 |
| Shaft 80 ft. @ $50/ft. | 4,000.00 |
| Drift 100 ft. @ $40/ft. | 4,000.00 |
| Total estimated cost | $8,500.00 |

Recommendation: The Field Team recommends denial as the pegmatite bodies exposed are not large enough nor rich enough in strategic muscovite to form a geologic target. The Division of Nonmetallic Minerals concurs in the Field Team's recommendation as do the Commodity Members of the Bureau of Mines and the Geological Survey.

LGHouk:gad 5/8/58
Copy to: Admr. R. File
Mr. Houk

8623

DMEA Form 7
(12-56)

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| 5/14 | Houk | 600 |
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| 5/14 | Williams | 130 |
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| | Mittendorf | 100 |
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MAY 14 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4941-Mica
Sam L. Phillips, et al.
Ben Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

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

LGHouk:gad 5/8/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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

May 13, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4941 (mica)

Applicant: Sam L. Phillips, et al.

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

Date of Field Team Report: 4/30/58

Date Rec'd. by Br. of Ceramic & Fertilizer Materials: 5/5/58

Field Team Recommendation: Recommend denial of the application.

Comments:

1. An open cut has exposed four small coalescing pegmatite lenses from which $80. worth of trimmed mica was produced and sold.

2. Geologic target is small and quantity of strategic mica appears to be insignificant.

3. Reserves of strategic mica are estimated to be negligible.

Recommendation:

I concur with the recommendation of the field team for denial of the application.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

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

May 5, 1958

Memorandum

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

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

Subject: Review of Examination Report, DMEA Docket 4941 (Mica)
The Ben Prospect, Mitchell County, North Carolina

Field Examiners recommend denial of the application, their recommendation based on the fact that pegmatite bodies exposed on the applicant's property are not large or rich enough in strategic mica to form a favorable geologic target. Although an open cut has been driven along the strike of the coalescing pegmatites, work done to date on the property appears to have been fruitless. Only about $80 of trimmed mica has been recovered.

I concur with the Field Examiners and recommend denial of the application.

T. H. Kiilsgaard

T. H. Kiilsgaard

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

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April 30, 1958

Memorandum

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

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

Subject: Examination Report, DMEA-4941 (mica)
S. L. Phillips, et al., Spruce Pine, North Carolina
Ben Prospect, Mitchell County, North Carolina

Enclosed are the original and two copies of the subject examination report.

The Field Team agrees with the Examiners in their recommendation for denial of the application.

V. J. Lynch
V. J. Lynch
Acting Executive Officer

Helmuth Wedow, Jr.
Helmuth Wedow, Jr., Geologist
U. S. Geological Survey

Enclosures 3

Reviewed by
DMEA OPERATING COMMITTEE
5-5-58
(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-4941 (mica) BEN PROSPECT
Mitchell County, North Carolina

F. G. Lesure, Geologist
U. S. Geological Survey

S. A. Feitler, Mining Engineer
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
5-5-58
(date)

April 30, 1958

FIELD EXAMINATION REPORT

DMEA-4941 (mica) BEN PROSPECT
Mitchell County, North Carolina

Applicants: S. L. Phillips, et al., Spruce Pine, North Carolina

## SUMMARY

Four coalescing pegmatite lenses are exposed in a small cut on the Ben prospect. The pegmatite bodies do not contain significant amounts of strategic muscovite and are not considered to form a suitable geologic target. We recommend that exploration assistance be denied.

## INTRODUCTION

### Location

The Ben prospect is on the southeast slope of Meadlock Mountain east of Lick Ridge, 1.18 miles N. 40° E. of McKinney Cove Church, Mitchell County, North Carolina (Bakersville, N. C., quadrangle TVA 1:24,000). The prospect is on a dirt road 1.4 miles long bulldozed up the mountain from the McKinney Cove road to the Roby prospect (DMEA-4239) and the Branch mine (DMEA-3743) both of which are just to the northeast of the Ben prospect.

### Examination

The examination of the Ben prospect was made on April 1, 1958 and lasted one hour. Mr. Paul McMahan accompanied the Examiners.

### Past operations

The Ben prospect consists of a small open cut about 50 feet long with a pit 20 feet long and about 13 feet deep near the center. The open cut and pit were dug in June 1957 by Roger McKinney, Phillip Buchanan, Paul McMahan and John Phillips. The Applicants report that about $80.00 worth of trimmed mica was recovered.

At present there are no buildings or equipment on the property.

## GEOLOGY

Several irregular coalescing pegmatite lenses intruded into interlayered mica and hornblende gneiss are exposed in the cut at the Ben prospect. The lenses range in thickness from 1 to 5 feet and are exposed along strike for about 20 feet. The separate exposures of pegmatite may be parts of one continuous contorted lens. In general the lenses strike northeast and dip either northwest or southeast. A small anticlinal nose about 3 feet wide, formed where the lenses coalesce, plunges about 45° northwest.

The pegmatites are composed of medium-grained plagioclase, quartz, biotite, and muscovite. Muscovite in books up to 3" x 4" is reported by the Applicants to be concentrated in the northwest plunging roll at the east end of the deep pit. Only a few pounds of scrap mica were seen on the dump and no mica of strategic quality was seen in place in the exposed pegmatite. Water in the deepest part of the pit concealed the area where the Applicants report muscovite concentrations were found. The Applicants reported that the mica recovered was of medium quality.

## RECOMMENDATIONS

We recommend that exploration assistance be denied because the pegmatite bodies exposed are not large enough nor rich enough in strategic muscovite to form a geologic target.

F. G. Lesure, Geologist
U. S. Geological Survey

S. A. Feitler, Mining Engineer
U. S. Bureau of Mines

DMEA Form 7
(12-56)

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FEB 28 1958

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

Re: Docket No. DMEA-4941-Mica
Sam L. Phillips, et al.
Ben Prospect
Mitchell County, North Carolina

Dear Mr. Laurence:

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

Copies of memoranda dated February 14 and 26, 1958, by Mr. N. E. Nelson, USGS, and Mr. W. F. Dietrich, USBM, respectively, relating to the project are enclosed. There is also enclosed a copy of the application for the use of the Field Team.

You will note that part of the subject property overlaps the Roby Mine Project which was certified; see Docket number DMEA-4239, Contract number Idm-E1005. If a contract is recommended, we will require a metes and bounds description of the entire tract from which the leased area is carved and a tie from a corner. The applicant will also be required to have a new lease and a new Consent to Lien and Subordination Agreement.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

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

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

EWEllis:rsi 2/28/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk
Mr. Ellis

Enclosures 5

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(12-56)

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FEB 28 1958

Mr. Sam L. Phillips

Spruce Pine, North Carolina

Re: Docket No. DMEA-4941-Mica
Sam L. Phillips, et al.
Ben Prospect
Mitchell County, North Carolina

Dear Mr. Phillips:

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,

C. O. Kilkenny (for)

Administrator

EWEllis:rsi 2/28/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region V
Mr. Kiilsgaard, 5222
Mr. Dietrich, 3061
Mr. Houk

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RECEIVED FEB 27 1958

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

February 26, 1958

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: Chief, Branch of Ceramic and Fertilizer Materials

Subject: DMEA-4941 (mica)

Applicant: Sam L. Phillips et al.

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

Date Application Rec'd. by Br. of Ceramic & Fertilizer Materials: 2/13/58

Comments:

1. Applicants request DMEA assistance in exploring a pegmatite vein for strategic mica by shaft sinking and drifting.

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.

W. F. Dietrich

W. F. Dietrich

IN REPLY REFER TO:

MEA

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DATE

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

February 14, 1958
Re: DMEA 4941
Roger McKinney et al
Ben Prospect
Mitchell County, N. C.
$8,500 Mica

Memorandum

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

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

Subject: Review of application

The applicants request assistance in exploring, by shaft sinking and drifting, a newly discovered pegmatite in which "there appears to be a significant amount of strategic grade mica", and as usual, the applicants "believe with exploration work good quality non-ruby mica will be recovered".

Referral of the application to the Field Team is recommended.

W. P. Williams

For N. E. Nelson

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

February 13, 1958

Mr. Sam L. Phillips
Spruce Pine, North Carolina

Subject: DMEA-4941

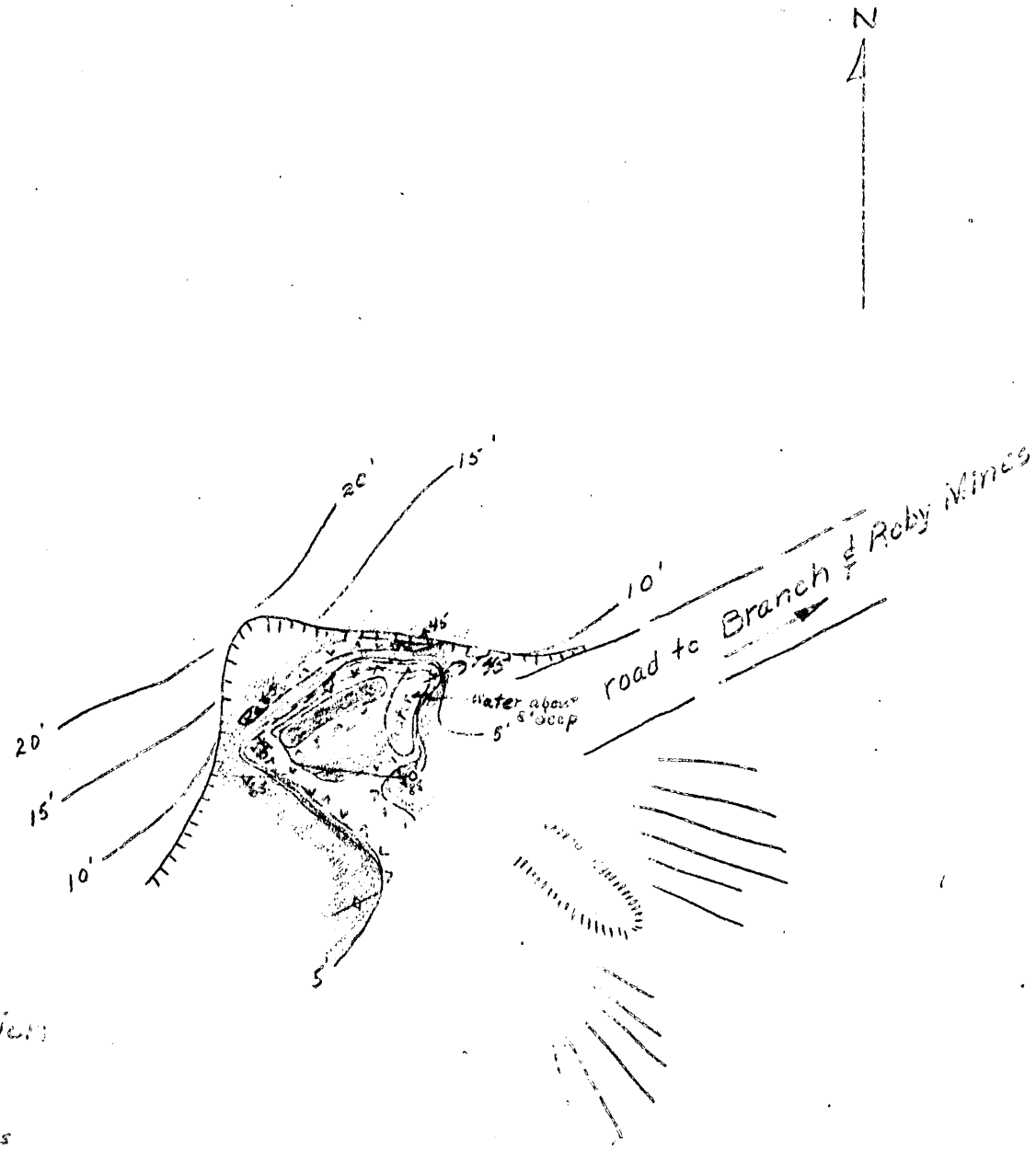
Dear Mr. Phillips:

Your application for exploration assistance, dated February 10, 1958 submitted to our office at Washington, D. C. has been assigned Docket Number DMEA-4941 and referred to the Non Metallics 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




Explanation

- pegmatite
- Mica gneiss
- 5° Contact showing dip
- Strike & dip of foliation
- Strike of vertical foliation
- 9° Plunge of roll in pegmatite
- Dump
- Edge of cut

Ben Prospect

Mitchell County, North Carolina

DMEA-494 (Ionica)

0 10 20 Feet

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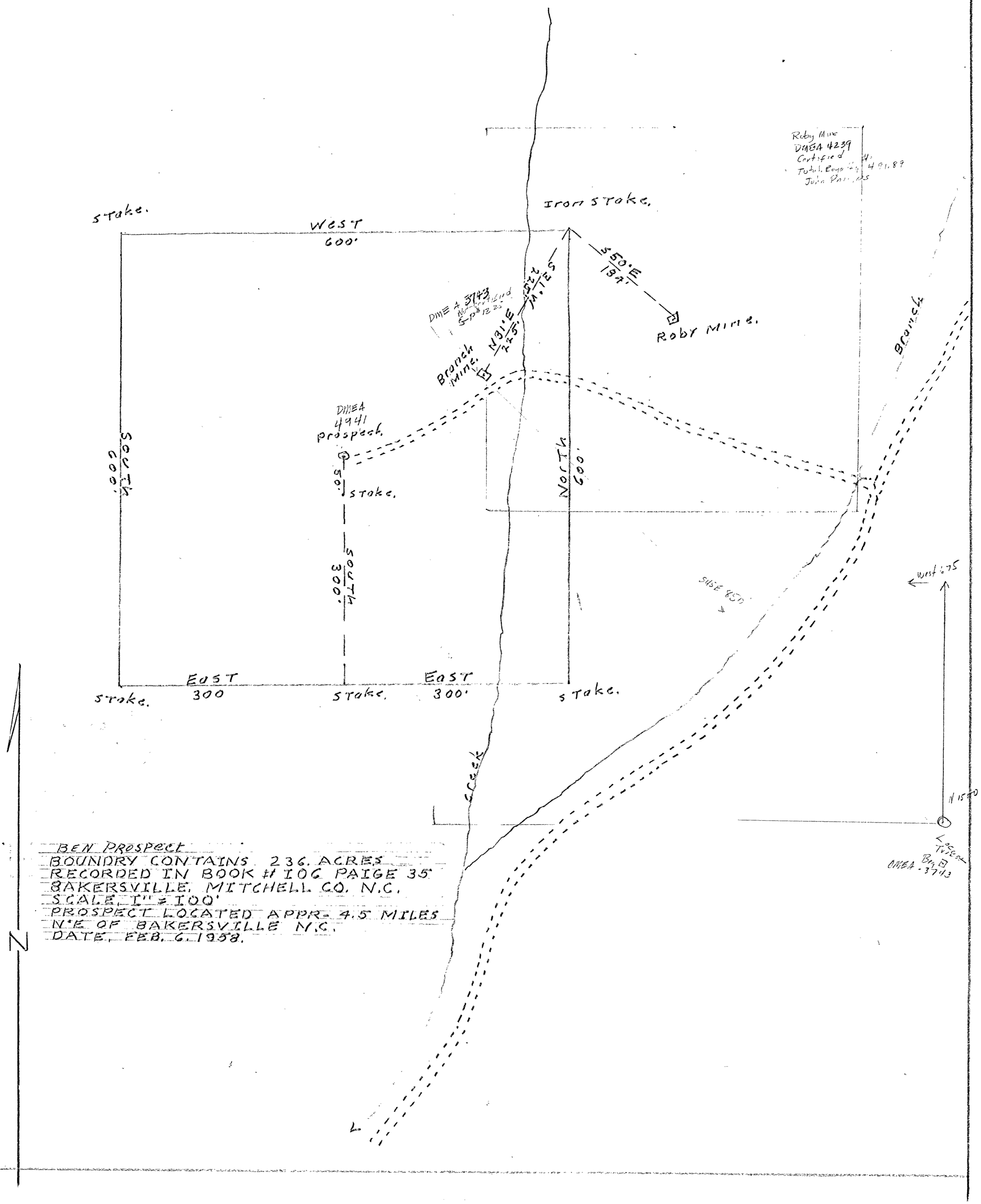
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RECORDED IN BOOK # 106 PAIGE 35
BAKERSVILLE, MITCHELL CO. N.C.
SCALE, 1" = 100'
PROSPECT LOCATED APPR. 4.5 MILES
N.E OF BAKERSVILLE N.C.
DATE, FEB. 6. 1958.
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